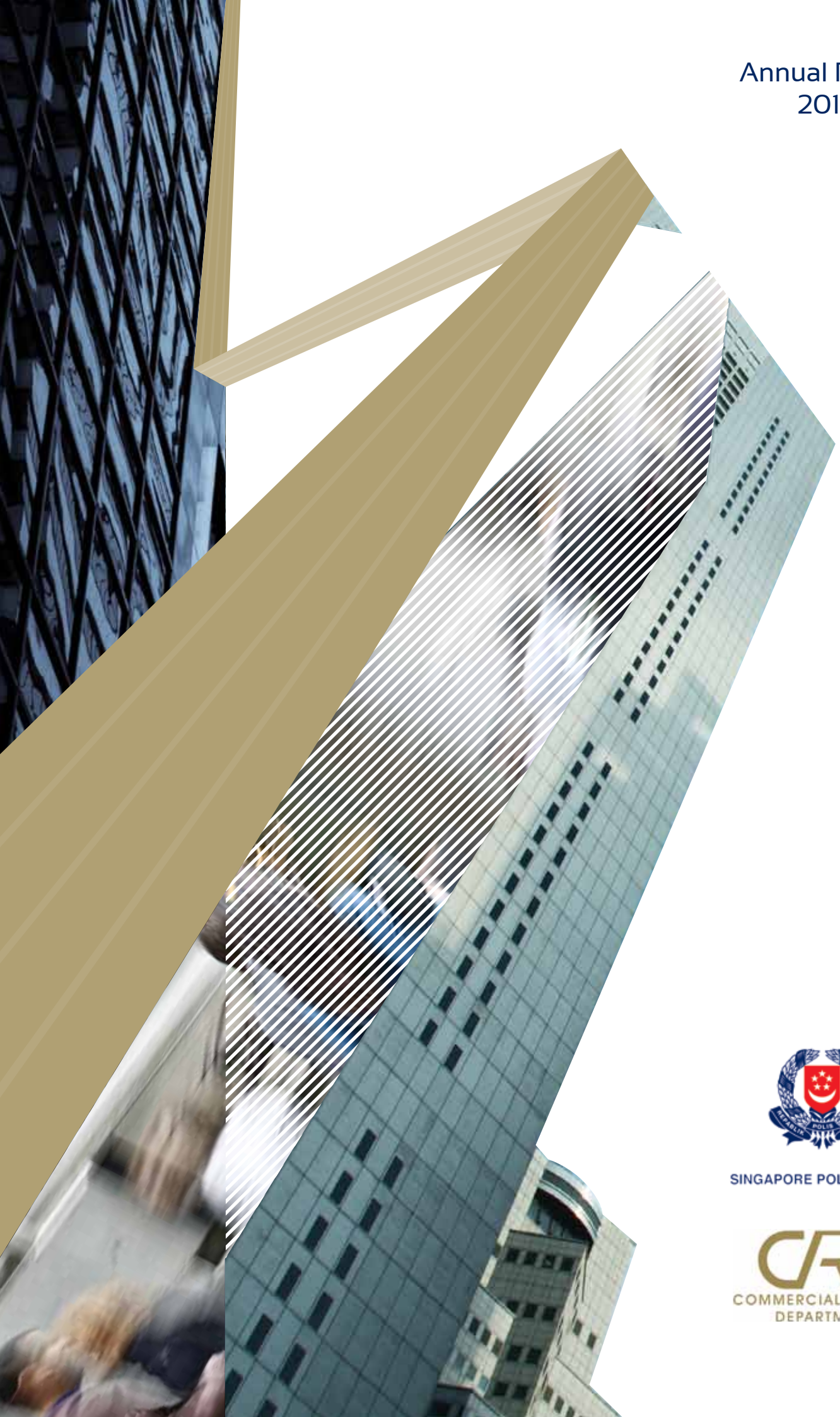
Annual Report 2011-2012



SINGAPORE POLICE FORCE

COMMERCIAL AFFAIRS DEPARTMENT

OUR MISSION

The mission of CAD is to prevent, deter and detect financial crime.

OUR SHARED VISION

To make Singapore the safest and most trusted place for business and finance.

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↗ COMMISSIONER'S MESSAGE

The Commercial Affairs Department is the bane of commercial criminals and all those who dare to commit white-collar crime in Singapore. By now, its reputation as a first rate investigative outfit is close to legendary. Of course, this good name was not achieved overnight, but is the cumulative result of many years of good work by generation after generation of dedicated CAD investigators and staff.

The CAD keeps a constant guard over the integrity of Singapore's commercial sector, and shares fully in the wider mission of the Singapore Police Force. Together with the rest of the police, it is committed to our vision for making Singapore the safest place in the world.

Commercial wrongdoing today is invariably complicated, complex, multi-dimensional and, more often than not, an international affair. This presents a formidable challenge to the department, demanding that it keeps constantly in tune with an ever changing business sector, and maintains a high degree of nimbleness and adaptability.

To be effective, the CAD is plugged tightly into an extensive network of international collaborators, and is also privy to secret intelligence and high technology. Its officers are persistent, tenacious, thoroughly schooled in the investigative arts and singularly devoted to bringing the crooked to justice.

Scams, frauds, schemes, conspiracies and plain cheating have kept CAD busy for another year. CAD, through the tireless efforts of its officers, has in turn kept Singapore's reputation as a no-nonsense place for business and commerce safe for another year. And will, doubtlessly, do so for many more to come.

Ng Joo Hee
Commissioner of Police

↗ DIRECTOR'S REPORT

Recap

With Asia leading the global economic recovery, we had to meet challenges on several fronts. The surge in capital flows tested the limits of our anti-money laundering regime and our financial intelligence capabilities as our investigators seized more than $65 million of suspected criminal proceeds in 2011/12. We also implemented an internationally-benchmarked cash transaction reporting regime to mitigate the potential money laundering and terrorist financing risks posed by the opening of the two casinos in Singapore.

Given the low interest rate environment, conditions were ripe for investment scams to flourish because of the higher returns that they promised. Such scams have seen an increase in size and complexity and are calibrated to fall outside the regime of our financial regulators. We investigated scams involving land banking, gold and wine funds.

Our financial system came under attack from criminal syndicates seeking to compromise our ATMS and make unauthorized withdrawals. Public confidence was preserved through the swift arrest of two syndicate members within a week of the attack, and preventive measures undertaken together with our banks.

The public sector was not spared. We commenced investigations into several government agencies and charities. Swift action was required to secure the recovery of taxpayer and donor monies.

The future

Singapore's emergence as a leading financial centre has seen increased capital flows, financial intermediation and innovation as well as a rapid improvement in telecommunications and technology. The sophistication, complexity and scale of financial crime are greater than before.

We must adapt to these changes. Our numbers are growing to meet the demands of a major, and trusted, financial centre. We are also re-organising ourselves to dedicate resources to build new capabilities and further sub-specialise, thematically, according to the crime concerns of the day.

Financial services are now more readily available to the criminal. Each layer of financial intermediation can exponentially add to the difficulty of solving a crime. Even non-financial crimes which were traditionally cash intensive, such as illegal money lending, now seek to take advantage of our payment systems.

Other law enforcement agencies (LEAs) that investigate such crimes must therefore develop their own financial investigation capability in order to overcome this. Henceforth, both our officers as well as officers from other LEAs will go through a new training curricular that has been specially designed to meet the needs of each agency. The training will be conducted by CAD in partnership with the Home Team School of Criminal Investigation.

The increasing use of nominees and layering through shell entities and financial intermediaries makes it harder to detect fraud from looking at isolated financial transactions. A blend of traditional and financial intelligence is necessary to detect and contextualise interconnected transactions to reveal evidence of such crime. We are expanding the analytical resources of the Suspicious Transaction Reporting Office as well as our field intelligence capabilities, to better leverage on intelligence for our enforcement operations.

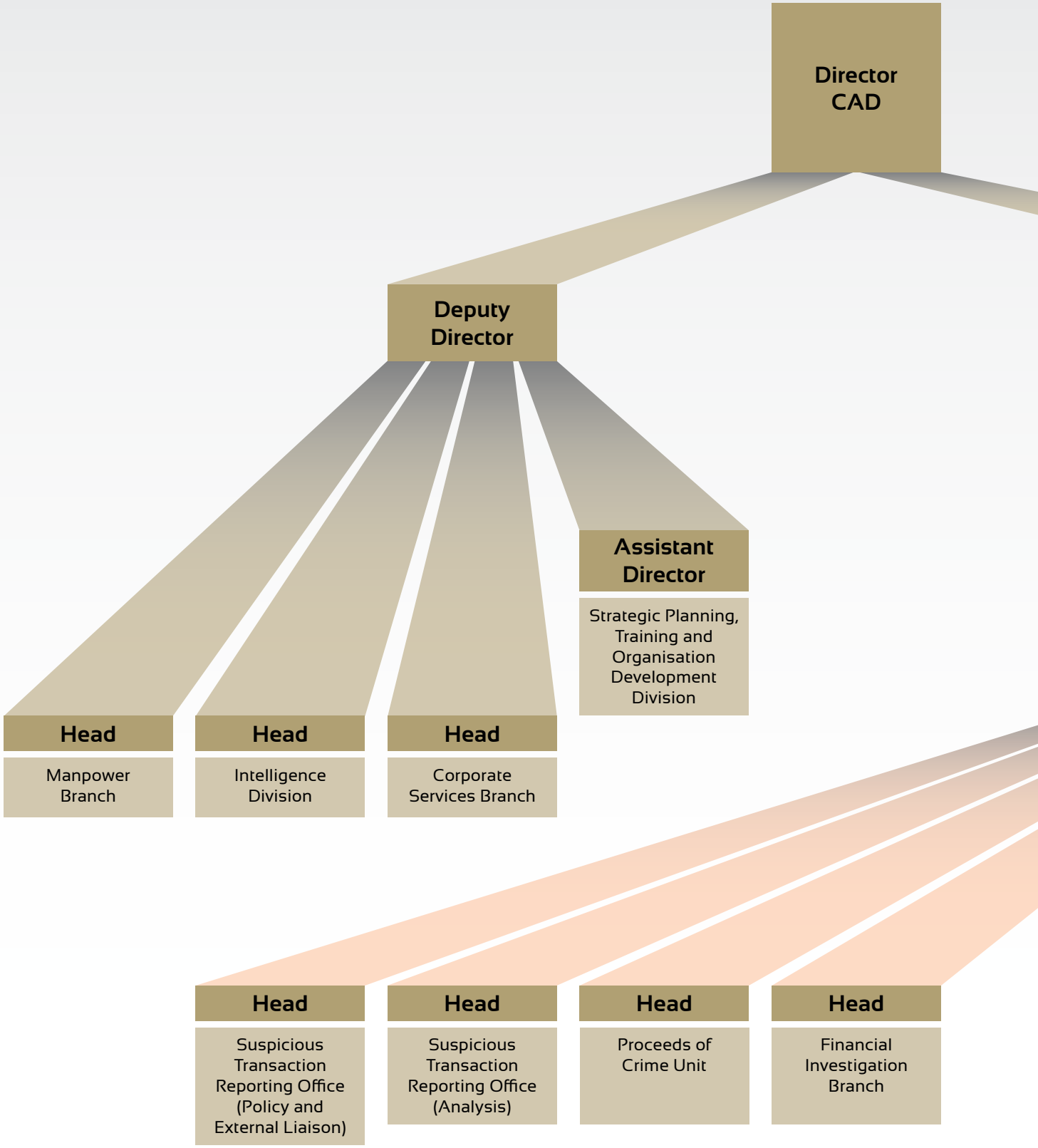
Our pledge

It is often said that our people are our greatest asset. I will say it again because it is true. We need to attract and retain the right people. To do this, it is time to recognise that financial crime investigation, intelligence or policy is not just a job. It is a profession. We will provide the incentives and career opportunities to encourage our officers to reach the pinnacle of their profession.

Tan Boon Gin
Director
Commercial Affairs Department

↗ ORGANISATION STRUCTURE

As at 31 March 2012



Senior Deputy Director

Assistant Director	Assistant Director	Assistant Director	Assistant Director	Assistant Director
Financial Investigation Division	Securities and Maritime Fraud Division	Commercial Crime Division	Operations Management and Development Division	Corporate Fraud Division
Head	**Head**	**Head**	**Head**	**Head**
Securities Fraud Branch	Maritime and Investment Fraud Branch	Financial Fraud Branch	General Fraud Branch	Operations Management and Development Division

↗ MANAGEMENT TEAM

Michael Scully
Senior Deputy Director

Tan Boon Gin
Director

Seow Hwee Koon
Deputy Director

Cheung Siu Wing
Assistant Director
Commercial Crime Division

Ian Wong
Assistant Director
Financial Investigation Division

Peh Chin Wah
Assistant Director
Corporate Fraud Division

Rachel Koo
Assistant Director
Securities and Maritime Fraud Division

Lim Lu Ern
Assistant Director
Strategic Planning, Training and Organisation Development Division

Daniel Cheng
Assistant Director
Operations Management and Development Division

↗ MANAGEMENT TEAM

Ho Chin Chuan	Samantha Lee	Tan Wee Kuan	Lim Tian Lye	Chew Jingwei
Head	Head	Head	Head	Head
Manpower Branch	Intelligence Division	Corporate Services Branch	Proceeds of Crime Unit	Operations Management and Development Division

Mak Kum Kay
Head
Financial Fraud Branch

Triana Ridwen
Head
General Fraud Branch

Chua Jia Leng
Head
Suspicious Transaction Reporting Office (Policy and External Liaison)

Lim Kok Meng
Head
Maritime and Investment Fraud Branch

Lee Wee Kiang
Head
Securities Fraud Branch

↗ EVENTS AND VISITS

TRAINING COURSES

20-28 February 2012

CAD organised the International Economic Crime Course 2012 for domestic and foreign law enforcement officers.

OUTREACHES

13 September 2011

The Suspicious Transaction Reporting Office and the General Fraud Branch conducted an outreach session to the money changers and remittance agencies.

27-28 March 2012

CAD facilitated the Home Team White Collar Crime Course as part of its effort to address the vocational needs of law enforcement officers specialising in commercial crimes.

23 March 2012

The Securities Fraud Branch, together with the Monetary Authority of Singapore, facilitated the Panel of Expert Meeting, an annual event held with the aim of gathering feedback from industry experts. The meeting also serves as a platform for the experts to share any recent developments in the securities market.

15 November 2011

The Suspicious Transaction Reporting Office and the Casino Regulatory Authority facilitated the Singapore Symposium on Casino Regulation and Crime, which was attended by officers from local and foreign law enforcement agencies.

VISITS

30 January 2012

CAD hosted a visit by our Deputy Prime Minister, Mr Teo Chee Hean.

2 August 2012

CAD hosted a visit by the Attorney-General, Mr Steven Chong.

29 November 2011

CAD hosted a visit by officers from the Commercial Crime Investigation Department of the Royal Malaysia Police.

↗ REPORT BY COMMERCIAL CRIME DIVISION

The Commercial Crime Division (CCD) investigates organised and syndicated fraud involving counterfeit currencies and payment cards, fraudulent insurance claims and other complex cheating and related offences with a transnational dimension.

Swift Crackdown on Fraud Syndicates

2011 was another fruitful year as CCD officers continued to crack down on fraud syndicates and prosecute persons involved in payment card fraud, counterfeit currency notes and motor insurance frauds. The swift enforcement actions attest to our resolve to safeguard Singapore's reputation as a world-class financial and commercial centre.

Singapore had been safe from ATM skimming until January 2012 when the Police received reports of unauthorised withdrawals totalling over one million dollars from over 400 accounts. Two persons were quickly arrested for installing pinhole cameras and skimming devices at ATMs to capture customers' personal identifications numbers (or PINs) and card data. Both were sentenced to 6 years' imprisonment.

The swift arrests by the Financial Fraud Branch (FFB), together with the crime prevention measures taken by the banks helped restore public confidence in Singapore's financial system and ATM operations. MAS also directed Singapore banks to enhance physical ATM security and customer alerts. This case highlights how CAD, the regulator and the financial institutions have to work closely together to stop increasingly innovative and technologically savvy criminal syndicates.

Another interesting case involved the counterfeiting of Singapore currency notes. In March and April 2011, the Police received reports that counterfeit Singapore $1000 Portrait Series currency notes were being used for the purchase of iPhones and iPads. Although the perpetrator proved to be elusive, FFB officers managed to arrest him and seize the equipment that he used for counterfeiting S$1000 notes. He was convicted and sentenced to 78 months imprisonment.

The General Fraud Branch (GFB) also had a busy year investigating syndicates involved in several major motor insurance frauds. These syndicates staged road traffic accidents and planted "Phantom Passengers" to make fraudulent personal injury claims against motor insurance companies. Our officers worked closely with the industry to successfully prosecute more than twenty persons, including the masterminds, for cheating offences. If we had not smashed these syndicates, the losses suffered by insurance companies might have translated into higher insurance premiums for motor vehicle owners.

Enhancing Crime-Fighting Capability

We recognise the importance of educating the public and enhancing the crime-fighting capability of our strategic partners as they are our "First-Line of Defence". In order to curb phone scams, GFB conducted public education and outreach programmes to Singapore Post and Western Union. We have seen some good results as their staff were able to stop some unsuspecting phone scam victims from remitting money to the fraudsters' overseas accounts.

FFB continued its strong partnership with the Card Security Group, the Online Merchant Fraud Forum and the Freight Forwarders Forum. This has led to a series of highly successful activities, including the sharing of fraud-related intelligence and proactive environmental scanning for new threats to our payment systems.

Challenges

Despite our continuous crime prevention efforts, we still see a steady stream of victims falling prey to lottery scams (whereby monies are wired to overseas accounts in return for winnings from a bogus lottery or inheritance), kidnapping scams (monies in return for securing the release of a purportedly kidnapped relative) or love scams (sending monies to criminals masquerading as a love interest over the internet).

Our experience with such scams tells us that the criminals use psychological means to hook potential victims by promising money or love. Indeed, victims may find themselves trapped by the use of escalation psychology into remitting more and more money in a desperate attempt to recoup their losses. The victims of kidnap hoax scams can be so overwhelmed by their anxiety for the safety of their loved ones that they hastily remit the ransom monies without any verification.

We urge anyone who receives emails or phone calls regarding news of an inheritance, winning a lottery, professions of love or kidnap threats to exercise caution. Ask for documentation, especially third party verification by a bank or lawyer. Call the bank or lawyer to double check. Be suspicious if the caller gives you instructions about which financial institution to use and what to tell the counter staff when remitting money overseas. Answer the counter staff truthfully when they ask you questions. They are trying to help you. Above all, if you have already remitted some money, talk to someone, be it your friends, relatives or the police, before you remit any more.

While we leverage on international cooperation with our foreign counterparts to solve such cases, it remains challenging to bring the fraudsters to justice. Money remitted overseas disappears very quickly, often before an investigation has even commenced.

Acknowledgement

Given the good results accomplished in 2011 and 2012, I would like to take this opportunity to pay tribute to all the CCD officers who have demonstrated a high degree of professionalism and dedication to their duties.

We would also like to thank our local and foreign strategic partners for their continual commitment and contribution to the fight against commercial crime. Together, I am confident we can safeguard Singapore's integrity as a world class financial centre and commercial hub.

We must continue to strengthen our crime-fighting capability and collaboration with our strategic partners, and remain true and professional in conducting our duties. We will continue to stay vigilant in the fight against commercial crime.

Cheung Siu Wing
Assistant Director
Commercial Crime Division

↗ HIGHLIGHTS OF CCD CASES

↗ PP vs Hamzah Bin Karim

Hamzah Bin Karim, a freelance insurance claims adviser, was jailed 3 years for his role as a mastermind in attempting to cheat three insurance companies of $266,830. When the insurance companies complained to the Police, GFB investigation revealed that Hamzah arranged for several individuals to pose as "phantom" passengers in a series of motor vehicle accidents in which he came across or was himself a party. Hamzah enticed these accomplices with the prospect

home.

THE STRAITS TIMES WEDNESDAY, APRIL 20 2011 PAGE B6

Insurance scam used phantom bus passengers

Hamzah Karim, 45, preferred to use bus accidents for his conspiracy because he could get more people to be phantom passengers.

Mastermind jailed three years for bid to cheat firms of $266,830

By Khushwant Singh

HE CHOSE bus accidents for his scams because he could get more people to be phantom passengers.

Yesterday, Hamzah Karim, 45, a freelance insurance claims adviser, was jailed three years for his role in trying to cheat three insurance agencies of $266,830.

Not only had he lodged a false police report and insurance claim for himself, he also conspired to do this for nine accomplices between 2007 and 2009.

A district court heard that in March 2007, he met a friend seeking treatment in Changi General Hospital after the bus he was in was involved in a mishap.

Hamzah offered help to file a personal-injury claim.

He roped in housewife Salijah Abdul Latef, 61, to pretend to have suffered injuries in the same accident. He told her what to say to the doctors and how to make a false police report. He also accompanied her to the Riaz law firm to file a personal-injury claim for $8,115.

He then roped in his first wife Robiah Sulaiman, 46, also a housewife, and another accomplice as phantom passengers.

In May 9 that year , he came across an accident between an SBS Transit bus and a motorcycle in Loyang Avenue. He got his second wife Salina Ahmad, 45, who runs her own cosmetics business, to claim that she had been injured in that accident.

He also pretended to have been a passenger and got law firm Benedict Chan & Company to issue a letter of demand to SBS' insurer – Tokio Marine and Fire Insurance Company – for $10,921 for himself and $12,921 for Salina.

He also instigated Sherin Mohd Irwan, 22, an assistant supervisor at a coffee outlet, and her mother Salijah to come aboard as phantom passengers.

On Nov 3, 2008, Hamzah was driving his car when it was hit by a taxi in Fort Road.

He persuaded a friend to file insurance claims for injuries and vehicle damage by pretending that Hamzah's car had collided with his mini-bus.

Among the fake insurance claims lodged by the nine accomplices for the three accidents, the largest one was $64,508.

The court heard that many of the claims failed as the insurers, which included NTUC Income and India International Insurance, had become suspicious.

On April 12, all nine accomplices were jailed between six weeks and nine months for their roles in the conspiracy.

District Judge Toh Yung Cheong said he agreed with the prosecution that a deterrent sentence was appropriate as such crimes were difficult to detect and Hamzah had led a lot of people astray.

For conspiring to cheat, he could have been jailed for up to seven years and fined up to $10,000. The maximum penalty for providing false information to the police is a six-month jail term and a $1,000 fine.

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of making 'easy money' and told them to lodge false accident reports to the Police. He also told them to consult doctors and to pretend they had been injured as passengers of a motor vehicle in a road traffic accident. The medical reports were needed to substantiate their fraudulent insurance claims.

Hamzah got the "phantom passengers" to authorise law firms to represent them in their insurance claims. Hamzah acted as the contact person with the law firms that had been engaged to pursue the injury claims. He was a phantom passenger himself and roped in his children and other family members and his circle of close friends to join in his fraudulent scheme. Hamzah went to great lengths to cheat the insurance companies by submitting false injury claims.

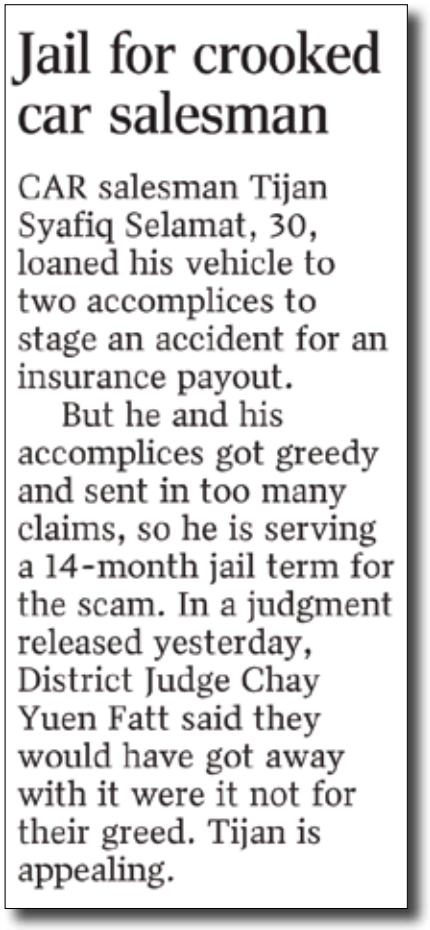
In all, Hamzah recruited 20 phantom passengers who submitted false personal injury insurance claims of between $3130 and $64,000. They had an agreement to share the proceeds. His accomplices promised to pay Hamzah 20% of the insurance payout. Hamzah was charged in court for cheating the insurance companies. Twelve accomplices were also charged for conspiring with Hamzah. The accomplices were convicted and sentenced to imprisonment of between six weeks and nine months.

Hamzah was familiar with insurance claim procedures. He planned and executed an elaborated scheme to cheat the insurance companies. Hamzah faced a total of 39 charges of cheating and of providing false information to a public servant. District Judge Toh Yung Cheong agreed with the prosecution that a deterrent sentence was appropriate because such crimes were difficult to detect and Hamzah had led many people astray.

↗ PP vs Tijan Syafiq Bin Selamat and Others

On 2 July 2010, NTUC Income Insurance Pte Ltd reported to the Police that it suspected fraudulent personal injury claims had been made by the driver and passengers of a vehicle that was involved in a chain collision along Kaki Bukit Avenue.

After a protracted investigation, CFB officers exposed an elaborate scam masterminded



Jail for crooked car salesman

CAR salesman Tijan Syafiq Selamat, 30, loaned his vehicle to two accomplices to stage an accident for an insurance payout.

But he and his accomplices got greedy and sent in too many claims, so he is serving a 14-month jail term for the scam. In a judgment released yesterday, District Judge Chay Yuen Fatt said they would have got away with it were it not for their greed. Tijan is appealing.

by Muhammad Akmal Bin Ahmad. Investigation revealed that sometime in August 2008, Akmal approached Tijan Syafiq Bin Selamat and suggested the use of Tijan's car to stage an accident. Tijan agreed after he was promised a share of the insurance claims.

On 15 August 2008, Tijan drove Akmal in his car to Tampines Industrial Avenue 2 to carry out their plan. The investigation revealed that the conspirators parked three vehicles in a

single file. They then drove the second vehicle to deliberately collide into the first vehicle. Likewise, the last vehicle was driven to deliberately collide into the second vehicle. The accident caused damage to the three vehicles.

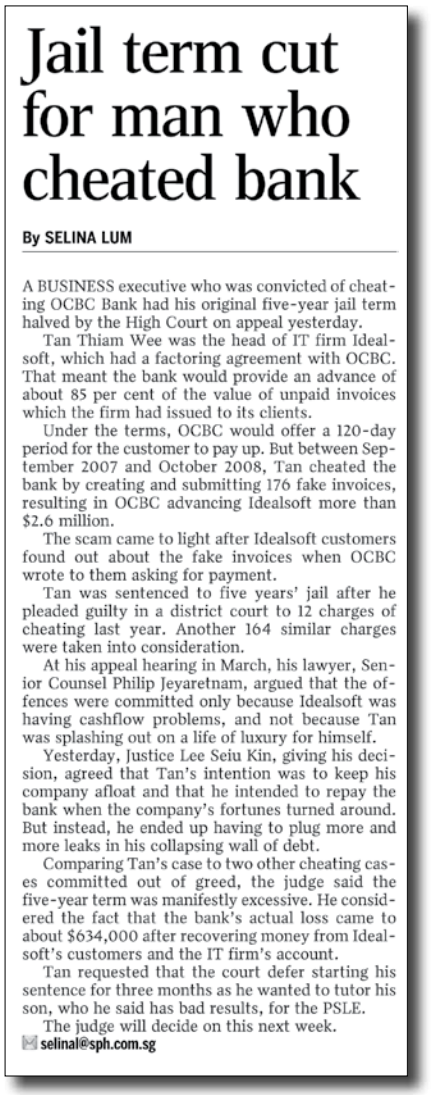
Akmal then fabricated the details of the accident and disseminated the information to his accomplices. Akmal arranged for Tijan to engage a lawyer to pursue personal injury and property claims against the insurers. Akmal also recruited other accomplices to join their fraudulent scheme. He introduced Tijan to Rasrizan Bin Raseli, Muhammad Shalihin Bin Othman and Abu Bakar As-Siddiq Bin Azmi for these persons to act as passengers of Tijan's vehicle for the staged accident. The three "phantom" passengers went for their medical examinations and lied to the doctor that they were injured in the accident. The conspirators submitted their false insurance claims and in due course the insurers paid a total of $19,725.22.

Tijan Syafiq Bin Selamat was charged in court on 2 December 2011 for four counts of engaging in a conspiracy to cheat. He was convicted and sentenced to 14 months' imprisonment. Tijan appealed against his sentence but his appeal was dismissed and his sentence of 14 months was upheld.

Muhammad Akmal Bin Ahmad was charged in court on 9 December 2010 for six counts of engaging in a conspiracy to cheat. He was convicted and sentenced to 18 months imprisonment. Muhammad Shalihin Bin Othman was charged in court on 2 December 2010 for one count of engaging in a conspiracy to cheat. He was convicted and sentenced to 36 months probation. Abu Bakar As-Siddiq Bin Azmi was charged in court on 2 December 2011 for one count of engaging in a conspiracy to cheat. He was convicted and sentenced to 15 months probation and 100 hours of community services. Rasrizan Bin Raseli was administered a stern warning for the offence of engaging in a conspiracy to cheat as he was a 17-year-old impressionable juvenile at the time of the offence and was remorseful.

↗ PP vs Tan Thiam Wee

Between 1 December 2008 and 19 May 2009, seven police reports were lodged against Idealsoft Pte Ltd (IDS) by its customers when they discovered that false invoices bearing the names of their companies were submitted to OCBC under a factoring agreement.



Jail term cut for man who cheated bank

By SELINA LUM

A BUSINESS executive who was convicted of cheating OCBC Bank had his original five-year jail term halved by the High Court on appeal yesterday.

Tan Thiam Wee was the head of IT firm Idealsoft, which had a factoring agreement with OCBC. That meant the bank would provide an advance of about 85 per cent of the value of unpaid invoices which the firm had issued to its clients.

Under the terms, OCBC would offer a 120-day period for the customer to pay up. But between September 2007 and October 2008, Tan cheated the bank by creating and submitting 176 fake invoices, resulting in OCBC advancing Idealsoft more than $2.6 million.

The scam came to light after Idealsoft customers found out about the fake invoices when OCBC wrote to them asking for payment.

Tan was sentenced to five years' jail after he pleaded guilty in a district court to 12 charges of cheating last year. Another 164 similar charges were taken into consideration.

At his appeal hearing in March, his lawyer, Senior Counsel Philip Jeyaretnam, argued that the offences were committed only because Idealsoft was having cashflow problems, and not because Tan was splashing out on a life of luxury for himself.

Yesterday, Justice Lee Seiu Kin, giving his decision, agreed that Tan's intention was to keep his company afloat and that he intended to repay the bank when the company's fortunes turned around. But instead, he ended up having to plug more and more leaks in his collapsing wall of debt.

Comparing Tan's case to two other cheating cases committed out of greed, the judge said the five-year term was manifestly excessive. He considered the fact that the bank's actual loss came to about $634,000 after recovering money from Idealsoft's customers and the IT firm's account.

Tan requested that the court defer starting his sentence for three months as he wanted to tutor his son, who he said has bad results, for the PSLE.

The judge will decide on this next week.

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The investigation by GFB revealed that IDS was facing cash-flow problems. In order to maintain IDS's working capital, Tan Thiam Wee, the director of IDS, created false delivery and purchase orders and false invoices, which were then submitted to OCBC for cash advances of up to 85% of the invoice values. Between 5 September 2007 and 27 October 2008, 176 false invoices were submitted under the factoring agreement to OCBC bank.

Tan Thiam Wee was charged with 176 counts of cheating OCBC bank into making advance payments amounting to $2,622,508.12 under their factoring agreement. An amount of about $2 million was recovered from IDS.

On 14 December 2011, Tan was convicted of the cheating charges and sentenced to 60 months' imprisonment. Upon appeal, his sentence was reduced to 30 months' imprisonment.

↗ PP vs Mohammad Mahathir

Sometime in March and April 2011, Police received 3 reports that counterfeit Singapore $1000 Portrait Series currency notes had been presented in various parts of Singapore for the purchase of iPhones and iPads. A total of 5 pieces of the note surfaced.

FFB launched an intensive investigation resulting in the arrest of Mohammad Mahathir Bin Ramli at his home on 20 June 2011. The investigators found one piece of counterfeit S$1,000 note and the equipment and paraphernalia that he used to counterfeit the S$1000 notes in his apartment. Another of S$1,000 counterfeit note was found hidden in his motorcycle seat.

FFB officers were quick to discover that the accused person used a bleaching technique to prepare a genuine S$100 note on which he printed the image of S$1,000 note so as to counterfeit a S$1,000 note. The original security features of the genuine S$100 note were retained to add creditability to the counterfeit note. The accused used the counterfeit notes to make his purchases of the iPhones and iPads.

Ex-fitness trainer jailed over fake $1,000 notes

A FORMER fitness trainer found a way to pump up the value of his money. First, he paid $300 to a Malaysian for three fake $1,000 notes early last year.

Then, Mohammad Mahathir Ramli used them to buy two Apple iPads and an iPhone that were worth a total of $3,360.

The 27-year-old went on to make his own fake money using a scanner and a printer.

Yesterday, he was jailed for 6½ years. He had pleaded guilty to possessing fake currency and using it to cheat.

He also admitted to theft and consuming the drug Ice.

He was further fined $1,500 for having a forged identity card bearing the name of another person.

A district court heard that on March 6 last year, he met a seller who had advertised an Apple Macbook and an iPhone 4 on the auction website eBay. He left without paying for the items, which were worth $2,250.

Four days later, he bought an iPhone 4 from another seller in Guillemard Road for $1,160.

It was only later that the seller realised the $1,000 note was fake.

The following month, Mohammad Mahathir bought two iPads from a couple for $2,200 in the carpark of Newton Food Centre.

After he left, the woman counted the money he had given her again and found the two $1,000 notes to be fake.

Both victims went to the police and Mohammad Mahathir was arrested in his Sengkang flat on June 20 last year. A search revealed five fake $1,000 notes and drug utensils.

His urine tested positive for methamphetamine.

Defence lawyer Jason Dendroff said Mohammad Mahathir had turned to crime because of unemployment and credit-card debts of $50,000.

The maximum punishment for using counterfeit currency is a 20-year jail term and a $10,000 fine.

KHUSHWANT SINGH

Mohammad Mahathir used the fake money to buy Apple products from different sellers.

On 27 June 2012, Mohammad Mahathir Bin Ramli was convicted of the offence of using as genuine counterfeit currency for which he was sentenced to imprisonment of 42 months. He was also convicted of other property offences and of National Registration Act and drug offences. In total, he was sentenced to 78 months' imprisonment.

↗ PP vs Loke Siew Fei and Hng Gaik Chin

An extensive investigation by FFB and intelligence gathering by the Intelligence Division led to the arrest of two Malaysians, Loke Siew Fei and Hng Gaik Chin, for ATM card skimming on 12 January 2012. The investigation revealed that they had earlier entered Singapore to install devices at ATMs to capture customers' cards data which could be used by their crime syndicate to clone cards for unauthorised cash withdrawals. Their criminal activities started on 11 January 2012 when Hng installed a skimmer and a pinhole camera to capture the customers' cards data and the associated PINs at a DBS ATM in Bugis Village. In just two hours, they collected data from 100 customer accounts. The duo emailed the data collected to their syndicate in Malaysia. But the syndicate leaders rejected the data because it was not of sufficient quality to use. Loke and Hng had to repair the skimming device. The next day, they planned to plant more skimming devices at ATMs in Singapore. Hng tested one device on a UOB ATM in Sims Avenue. Their plan was thwarted by the swift Police action when FFB investigators raided their hotel room and seized the skimming devices and paraphernalia used in skimming the customers' account data. Loke and Hng were arrested.

Loke Siew Fei and Hng Gaik Chin were charged in court and sentenced to 6 years' imprisonment for offences under the Penal Code and Computer Misuse Act.

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ATM card skimming duo jailed 6 years

By KHUSHWANT SINGH

TWO Malaysians came to Singapore to install devices at ATMs to capture customer data which could be used by a crime syndicate to clone cards and make cash withdrawals.

But the data obtained was deemed not good by the syndicate and they were asked to repair a skimming device. They were caught after the police received a tip-off.

Yesterday, Loke Siew Fei, 27, and Hng Gaik Chin, 30, were jailed six years each. They had pleaded guilty to possessing ATM card skimming devices and using them on two automated teller machines.

They were arrested on Jan 12 in their room at Kim Tian Hotel in Geylang. That month, other fraudsters had stolen $1 million from 700 DBS customer accounts by making withdrawals in Malaysia with cloned cards.

Deputy Public Prosecutor Christopher Ong said Loke and Hng were probably working for the same syndicate but Senior District Judge See Kee Oon pointed out there was nothing in the facts of the case that confirmed this.

The court heard that the duo were recruited by the syndicate last December by a Malaysian called Mr Chin Yew Pong.

Two men, believed to be eastern Europeans, taught them how to use the card skimming devices.

Loke and Hng arrived in Singapore on Jan 9. Two days later, Hng installed a skimmer at a DBS ATM machine in Bugis Village.

In two hours, they collected data from 100 customer accounts. A pinhole camera captured the PIN numbers.

The data was e-mailed to Malaysia but Mr Chin called to say it was not good and told Loke to repair the skimmer.

On Jan 12, Hng tested the device on a UOB ATM in Sims Avenue with Loke's credit card. They were nabbed soon after.

Loke's lawyer S. Radakrishnan argued for a lenient sentence as no one had suffered any loss. Hng did not have a lawyer.

Both men could have been jailed up to 10 years and fined up to $10,000 each for having the card-skimming devices.

Banks now send SMS alerts for ATM withdrawals to customers who have requested overseas use as well as for all ATM withdrawals above a certain limit.

khush@sph.com.sg

Loke Siew Fei (left) and Hng Gaik Chin came to Singapore to install ATM skimming devices to steal customer data. PHOTOS: SINGAPORE POLICE FORCE

↗ PP vs Yee Kwee Lan

Close cooperation between FFB and the banks resulted in a successful operation against a credit card fraud syndicate. FFB officers mounted an operation that led to the arrest of Yee Kwee Lan for a series of cheating related offences including Abetment by Conspiracy to Cheat and Dishonestly Receiving Stolen Property.

The investigation revealed that a Malaysian credit card fraud syndicate provided Yee, a 43 year old Malaysian, with stolen credit cards which she then used to pay for several purchases in Singapore, mostly of jewellery and cigarettes. In July 2011, while in Malaysia, Yee Kwee Lan was approached by syndicate members to help them use counterfeit credit cards to purchase goods in Singapore. She was promised a 5% commission based on the price of the goods purchased. Yee was heavily in debt and unemployed. She agreed to the conspiracy because she needed the money to repay loansharks.

THE STRAITS TIMES
FRIDAY, JUNE 15, 2012

Ex-bus driver jailed 4½ years for fraud

S'pore PR worked with syndicate to use stolen credit cards for purchases

By ELENA CHONG

A FORMER SBS Transit driver went on to start a transport business but her world crashed when gambling wiped out her savings.

Yee Kwee Lan approached a friend in Malaysia last July to borrow money to repay about RM20,000 (S$8,050) to illegal moneylenders.

The friend, who was called Ng, offered her a job to use stolen credit cards to make purchases in Singapore. She would get 5 per cent of the value of the item bought. Yee, 44, a Singapore permanent resident, would also get more than $200 for lodging and food.

In August, she met Ng's accomplice in Singapore who passed her some credit cards and drove her around to buy specific items.

The accomplice also gave her a few forged identity cards with her photo affixed to them – in case she was asked to produce identification.

Yee was arrested on Aug 10 after various people had filed reports that their new credit cards or replacement cards mailed to them had been intercepted.

When she was nabbed, she was wearing a wig. Three credit cards and a forged identity card were found in her possession.

Yesterday, Yee was jailed 54 months for credit-card fraud.

Yee, who faced 35 charges involving $42,816, had admitted to eight counts of abetting David, the accomplice, and others in a conspiracy to cheat establishments into believing that she was the rightful holder of the credit cards when making purchases.

Investigations showed she was part of a syndicate which used stolen cards to buy goods.

A district court heard that some 11 cards were used at mostly jewellery shops, petrol kiosks, convenience stores and supermarkets.

Yee's lawyer Josephus Tan said she had worked as a driver in SBS Transit for five to six years before joining a private transport firm. In 2009, she started her transport business.

Her life came to a "halt", said the counsel, when she started gambling and lost all her savings within a short time.

She could have been jailed for up to 10 years and fined on each charge.

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When gambling wiped out her savings, Yee Kwee Lan sought help from a friend, who got her involved in a conspiracy to cheat establishments.

Yee entered Singapore in August 2011 and met an accomplice "David" who gave her an assortment of credit cards and forged identity cards to match the names embossed on the credit cards. David brought Yee to several jewellery and goldsmith shops and to a petrol kiosk and at each location he gave her instructions to purchase specific items. Her fraudulent transactions totalled S$42,816.22.

Yee Kwee Lan was charged in court on 35 counts of cheating, including abetment by conspiracy to cheat and dishonestly receiving stolen property. She was convicted and sentenced to 54 months' imprisonment. "David" has since been identified to be a male Singaporean, Ong Bee Han and the case is pending trial in the Subordinate Courts.

prime.news

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Turk jailed for $360k credit card fraud

Fake cards used mostly at jewellery stores; accomplice still at large

By Khushwant Singh

IN THE space of two days, two visitors from Turkey chalked up more than $360,000 worth of purchases, mostly at jewellery stores. The catch? They used fake credit cards.

Yesterday, Erdem Yildiz, 27, was sentenced to seven years' jail after pleading guilty to 10 charges of possessing counterfeit American Express credit cards and using them to cheat.

His accomplice, Erdinc Vidin, is at large.

A district court heard that within two days of arriving from Turkey on March 18, the two charged $56,550 to their fake cards at Soo Kee Jewellery and $30,808 at Goldheart in Orchard Road.

At the Vertu boutique, they bought two mobile phones for $41,500, and at the Tag Heuer outlet, spent $40,475.

On March 20, they bought nearly $100,000 worth of jewellery from Love & Co in Suntec City.

The staff there were suspicious and alerted Chubb security company, which called the police.

Yildiz was then arrested.

The court heard that in February in a cafe in Turkey, Yildiz was offered 15,000 Turkish lira (S$31,350) by a man called Osman Ozturk to shop abroad using fake credit cards.

Yildiz and Vidin then flew to Ukraine to collect the fake credit cards from a contact known only as Ahmet.

The next day, they flew to Thailand where they were told by a man named Pasha to head to Singapore.

Police found less than $10,000 worth of items in Yildiz's room at the Fortuna Hotel in Owen Road – a diamond ring valued at $4,028, a pair of wedding rings worth $1,088 and an Apple Macbook Pro bought for $3,398.

The court was not told what he did with the rest of the loot, but private investigators say it is usual practice for accomplices to either fly off with items or mail them off quickly.

In March, police tracked four thieves from Chile, aged between 20 and 34, to a Geylang hotel.

A postal receipt led to the discovery of four parcels at a post office in Geylang which contained 10 cellphones, nine cameras, three laptops, two media players, four branded handbags and several credit cards.

Deputy Public Prosecutor Serene Chew asked the court to impose a deterrent sentence on Yildiz as the amount involved was large.

Pleading for leniency, the Turk – who was not represented by a lawyer – said that he was unable to find a job back home because he had completed only primary school.

He said he had been assured that there was "no risk" of being caught and did not realise how seriously Singapore viewed such offences.

For possessing a fake credit card, he could have been jailed for up to 15 years and fined up to $10,000.

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↗ PP vs Erdem Yildiz

The long arm of the law caught-up with credit card cheat Erdem Yildiz when a staff at a retail outlet raised the alarm after she found his free-spending ways suspicious. When FFB was called in, the investigators unraveled Yildiz's criminal activities which started in February 2011 at a cafe in Turkey. It was then that Yildiz and his accomplice Turn Erdinc Vidin received a proposal from a man, Osman Ozturk, to use counterfeit credit cards to make purchases overseas. In return Yildiz was promised a payment of 15,000 Turkish lira ($11,350). They agreed to participate in the conspiracy and flew to the Ukraine where they collected the counterfeit credit cards. From the Ukraine, they headed to Thailand where they received instructions from a man named Pasha to make their way to Singapore.

The two Turks arrived Singapore on 18 March 2011, bringing with the man assortment of counterfeit credit cards. They proceeded to purchase luxurious mobile phones, Tag Huer products and an assortment of jewellery and paid for them with the counterfeit credit cards. Their loot totalled $56,559 in value.

Their shopping spree was brought to a halt when Erdem Yildiz was arrested by the police on 20 March 2011. Turn Erdinc Vidin evaded arrest. Police recovered counterfeit credit cards and stolen property valued about than $10,000 from Yildiz.

Yildiz was charged in court for 30 counts of possession of counterfeit credit card and cheating offences. He was convicted of the charges on 27 June 2011 by the court and he was sentenced to seven years' imprisonment.

↗ REPORT BY CORPORATE FRAUD DIVISION

The Corporate Fraud Division (CFD) investigates criminal offences committed by directors of companies, lawyers and accountants acting in their official capacities. These offences include those under the Penal Code such as the falsification of accounts, cheating, and criminal breach of trust. CFD also investigates into criminal offences under the Companies Act, Accountants Act, Bankruptcy Act, Business Registration Act and Legal Profession Act.

The Year in Review

The past year has been another fast-paced yet fruitful one for CFD. Our officers were involved in investigating and prosecuting several major cases. One such case is the investigation and subsequent prosecution of accused persons, Koh Seah Wee and Lim Chai Meng, for perpetrating a fraud on the Singapore Land Authority (SLA).

The accused persons controlled a number of companies and businesses and used them to bid for IT tenders called by SLA. Investigation revealed that these business entities neither rendered the services nor delivered the goods they were supposed to, despite receiving payment for winning the bids. The accused persons abused their official positions in SLA to hide the fact that SLA was receiving nothing in return for its money and used nominees to mask their relationship with the companies and businesses. CFD investigators had to dig deep to uncover the wrongdoing and the true relationships between the accused persons and the business entities. Swift and decisive action was required to seize and recover a significant portion of the stolen proceeds.

CFD investigations also led to the prosecution of several lawyers and an accountant for criminal offences committed in their professional capacity. In one case, Mustaffa Bin Abu Bakar, the proprietor of law firm Mustaffa & Co, was charged in court for misappropriating $1,241,180.64 of client moneys. The investigation was complicated by the accused person's practice of making cash payments which did not appear in the law firm's bank account records. The CFD investigating officer had to meticulously comb through different sources of evidence and work closely with other agencies to ascertain the full extent of the crime.

The investigating officer meticulously combed through different sources of evidence and worked closely with other agencies to ascertain the full extent of the crime.

Preventing Accounting Fraud

In our uncertain economic climate, companies may find it challenging to sustain profits and revenue flow. We have investigated cases where companies have taken the easy way out by falsifying accounts or using false documents to apply for loans to tide them over. Alarmingly, some of these offences were committed by officers as senior as the Chief Financial Officer (CFO) or the Financial Controller (FC) of

these companies. In one of our earlier cases, Wee Teck Han, the CFO of JEL Corporations Limited, conspired with the Chief Executive Officer, Eric Tan Boon Yong, and the FC, Alex Ng Soon Heng, to inflate sales figures so that the Group could meet the targeted net profit of $8 million.

Wee Teck Han and Alex Ng were sentenced to 7 months' imprisonment and 4 months' imprisonment respectively for offences of falsification of accounts. Accountants play an important role in safeguarding the integrity of the company's accounts. Besides ensuring that the accounts comply with accounting standards, they act as an independent check against pressure to tamper with the company's books. Wee Teck Han and Alex Ng not only failed in their duties as gatekeepers. They abused their positions of trust. We made sure that they paid the price dearly.

Over the years, our officers have given talks at local universities to warn accountancy undergraduates of similar temptations and pitfalls in their future careers. We hope that such initiatives can help to instill in potential accountants, if not the proper ethics and culture, then at the very least, the wariness that in Singapore, crime does not pay.

Moving Forward

Future CFD investigations will become increasingly complex. We operate in a dynamic and ever-changing environment. To ensure that our officers keep up with the pace of change, we need to work closely with our public and private sector partners and invest in developing a team of specialists in the most pressing practice areas. I am confident that together, CFD will overcome the challenges that lie ahead.

Peh Chin Wah
Assistant Director
Corporate Fraud Division

↗ HIGHLIGHTS OF CFD CASES

↗ PP vs Ong Kim Soon

Steven Ong Kim Soon was a director and majority shareholder of A&G International Holdings (AIH). He is also a director of A&G Petrochemical Logistics Corporation (APL). APL is a subsidiary of AIH.

Several persons complained to CAD that Ong had deceived them into investing in AIH and APL. The CAD investigation revealed that Ong collected a total of $400,000 from 18 persons on the pretext of investing their money in the two companies. Ong claimed that AIH and APL are sizeable companies engaged in the petroleum refinery and logistics businesses. Ong told the investors they would reap very substantial returns, if AIH succeeds in its plan to list on stock exchanges in the United States of America.

The truth is that the companies did not possess tangible businesses or assets. The share capital of AIH and APL had been falsely represented as $711 million and $450 million respectively. Ong had presented cheque images showing payments of large sums of money in share capital to the two companies to deceive the company secretary to report the increase in share capital to the Accounting and Corporate Regulatory Authority. The companies did not receive the mentioned share capital payments. By these acts Ong committed the Companies Act offence of submitting false returns of allotment of shares. He also committed a fraudulent trading offence in regard to the money he received from the investors.

That was not the end of Ong's wrongdoing. He forged a letter to make it look like it was issued by the Hongkong Shanghai Banking Corporation and gave it to an intermediary who was negotiating a business deal between AIH and an overseas investor. The letter stated that AIH had at least $100 million in its bank accounts. On another occasion, Ong gave to an Australian company, a forged bank letter stating that AIH has a US$8.8 billion line of credit with the Standard Chartered Bank.

Ong was charged with two counts of fraudulent trading and 11 counts of submitting false returns of allotment of shares, and two counts of forgery. He was convicted and sentenced to a total of 6 years' imprisonment on 14 September 2012.

↗ PP vs Chew Soo Chun

Chew Yak Mong - Synerpac Limited is a company listed on the National Stock Exchange of Australia. The ship chandler imports and exports ship supplies. The company was subjected to CAD's scrutiny when it came to light that the managing director, Chew Soo Chun, created 89 false sales invoices valued about $7.67 million between November 2005 and November 2006 to inflate the revenue of the company.

When the financial accounts were being audited, Chew forged the trade debtors' confirmations and deposited cash into the company's bank account to create an appearance that payments had been received from customers. This gave the auditors a false impression of sales transactions. Chew also submitted some of these false sales invoices to OCBC Bank to induce the bank to disburse loans totalling $2.63 million to the company.

On 9 March 2011, Chew was prosecuted for offences of cheating, forgery and falsification of accounts and for failure to prepare a profit and loss account that gives a true and fair view of the financial performance of the company. The case is pending trial in the Subordinate Courts.

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FIRST OFFENDERS, NOT FIRST CRIMES

"First offenders in the position of Koh and Lim do not deserve the kind of sympathy reserved for those who transgress for the first time on an isolated occasion and often out of line with their general character.

"A clear distinction has to be drawn between those who break the law for the first time and those who have been flouting the law with impunity for years and are finally caught and charged for the first time."

Justice Tay Yong Kwang (right)

ASSAULT ON COMMON WEAL

"Offences involving public funds committed against public institutions have to be dealt with sternly as they amount to an assault on the common weal and undermine good administration.

"It is worse when such assaults come from within the organisation and are initiated by people trusted to handle public funds and to ensure fair play in commercial dealings with the organisation."

BOTH IN IT TOGETHER

"They were the safety checks put in place to administer the technology infrastructure and to prevent financial leakage, but they transformed themselves into surreptitious sluices letting out torrents of public funds illegally.

"Koh, as the more senior officer between the two of them, naturally bears more culpability, but it would diminish Lim's role unjustifiably if we forget that the duet of deception could not have been performed with such virtuosity unless both of them were in complete harmony. Koh needed Lim and Lim needed Koh."

FRAUD FROM WITHIN

"Organisations large and small, public and private, may put in place the best systems, but if those entrusted with operating the systems (especially at the higher levels) choose to be dishonest, fraud can still occur. For this reason, fraud from within must be deterred and decisively punished when it is committed."

Justice Tay Yong Kwang

SINGAPORE LAND AUTHORITY SCAM

$12.2m 'duet of deception'

Judge: Senior man more culpable, but ex-manager also played crucial role

By Elena Chong

TWO former staff who teamed up to cheat the Singapore Land Authority (SLA) of $12.2 million were sentenced to 22 years' and 15 years' jail yesterday.

Koh Seah Wee, 41, ex-deputy director of its technology and infrastructure department, was given the higher sentence as he was deemed more culpable. He admitted to 55 of 372 charges of cheating and money laundering.

Former manager Lim Chai Meng, 38, admitted to 40 of 309 charges.

In his judgment, Justice Tay Yong Kwang noted that although Koh was considered more culpable, it would diminish Lim's role unjustifiably "if we forget that the duet of deception could not have been performed with such virtuosity unless both of them were in complete harmony. Koh needed Lim and Lim needed Koh."

Between November 2007 and March last year, SLA was dishonestly induced into paying $12.2 million to 11 "vendors" in 262 bogus contracts for IT maintenance services and goods.

The judge did not quite agree with the prosecution's description of the pair as "highly sophisticated criminals" capable of "systematic and elaborate laundering of criminal proceeds".

He noted the pair had the common sense not to leave an audit trail and transacted in cash only among the accomplices. But he added that their investments were all in Singapore and readily traceable to them because the purported owners were not persons of apparent financial means and stature who could easily explain the source of their wealth.

"Their rather egoistic acts in purchasing supercars, especially the attention-grabbing Lamborghini and Ferrari, in our small island indicated inane vanity rather than sophistication," he said.

"They were carelessly inviting questions about their new-found wealth, particularly for Lim, whose recent financial woes must have been known to those who knew him."

From the way Koh spent the criminal proceeds, the judge could only surmise that he craved luxury but was unwilling to work hard for it.

While the judge had some sympathy for Lim's previous predicament in view of his family commitments, which spurred him to partner Koh in crime, that unfortunately dissipated quickly when his needs evolved rapidly into greed.

Lim had deceived Sing Investments into believing that he was earning $20,000 a month when he applied for a $350,000 loan to upgrade from his already expensive car, a Porsche, to a second-hand Ferrari, which he crashed along Nicoll Highway one month after purchase in 2009.

Though Lim claimed to have had misgivings about the cheating scheme last year, the judge noted that Lim agreed to help Koh cheat SLA of more than $3 million in more than 30 false transactions within the month of March, averaging more than two a day.

"The 'one last time' of cheating was truly a grand finale. It certainly fits into the original plan to do 'a few big ones'.

"Even if Lim did not take any share of this money, he had again knowingly assisted Koh in cheating a public body in spectacular fashion," said Justice Tay.

Koh had also cheated two other public institutions, the Supreme Court and the Intellectual Property Office of Singapore (Ipos). Ipos, for example, lost about $280,000 through fake contracts.

Ex-SLA staff Koh Seah Wee (left) and Lim Chai Meng together dishonestly induced SLA into paying $12.2 million for bogus IT maintenance services and goods. PHOTOS: SINGAPORE POLICE FORCE

The SLA scam was uncovered in June last year when the authority detected a number of irregular payments in its technology and infrastructure department.

By then, the two men had left. They were suspected of having conspired to cheat SLA by rendering false invoices through various business entities for IT maintenance services and goods.

Of the estimated $9 million in money and assets recovered, slightly more than $1.5 million is the subject of adverse claims. Koh's family members are staking a claim on the amount, saying the $1.5 million – used to buy one of the properties – did not come from the criminal proceeds.

Two of the seven men who colluded with the pair in the scam have been sentenced to 10 years and three years in the Subordinate Courts. Another is at large, while the cases against four men are pending in the lower courts.

Justice Tay's judgment yesterday sent out a clear message that fraud committed from within an organisation, particularly offences involving funds in public institutions, must be dealt with sternly.

Fraud carefully planned for and coolly played out is often hard to uncover even with good checks and balances, he noted.

"It becomes even more elusive when there is collaboration and collusion from within the organisation defrauded."

He said the best systems might be put in place, but if those entrusted with operating the systems choose to be dishonest, fraud could still occur. Instead of rectifying flaws in the system, if any, Koh and Lim decided to manipulate it to enrich themselves at the public expense.

The judge said financial crimes like these often have repercussions. New and more stringent checks may have to be introduced and more levels of authorisation and authentication put in place, resulting in increased costs in time, manpower and infrastructure.

The maximum penalty for cheating before Feb 1, 2008 is seven years and a fine – and 10 years and a fine after that.

For money laundering, the maximum is a $500,000 fine and seven years' jail on each charge.

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↗ PP vs Koh Seah Wee and Lim Chai Meng

For 13 years, up to May 2010, Koh Seah Wee had been an IT Consultant with the Infocomm Development Authority of Singapore (IDA).

During this period, he was deployed by IDA in full time positions with various government organisations to handle their IT needs. He was posted to the Supreme Court (from 1997 to 2004), the Intellectual Property Office of Singapore (IPOS) (from 2004 to 2007) and the Singapore Land Authority (SLA) (from 2007 to 2010).

At SLA, he was appointed the Deputy Director of the Technology and Infrastructure Department of the Information Technology Division, a position that allowed him to approve purchases valued up to $60,000.

On 15 June 2010, SLA reported to the CAD their suspicion that Koh and his subordinate, Lim Chai Meng had exploited their positions in the Technology

and Infrastructure Department to defraud SLA of millions of dollars.

The CAD investigation revealed that Koh and Lim conspired with private sector contractors to cheat SLA. Koh and Lim awarded contracts to these private sector contractors for the supply of IT goods and services to the SLA. The SLA did not need these goods and services and the contractors had no intention of fulfilling the contracts.

As the procurement officer of the Department, Lim submitted the purchase requirements, published the requirements in the Government Electronic Business (GeBIZ) system and called for private sector vendors to submit their quotes for the supply of the goods and services. When quotations were received, Lim recommended the award of the contracts to their co-conspirator vendors. Koh then played his part as the approving officer of the Technology and Infrastructure Department. He approved the purchases which were invariably within his approval limit of $60,000.

Family members not in court for sentencing

By Tham Yuen-C

HE WAS a filial son, caring brother, dutiful husband and loving father, his family members had said.

But when Lim Chai Meng was sentenced yesterday to 15 years in jail for his part in defrauding the Singapore Land Authority (SLA) of $12.2 million, none of the people who had submitted letters to the court to plead for leniency was around.

Not his father, mother, younger sister, wife or four children.

His family, it turned out, had been advised to give yesterday's sentencing hearing a miss. The 38-year-old former SLA manager had asked them to stay away to avoid the media glare surrounding the biggest such scam involving public servants in some 15 years.

Yesterday, Lim's former boss, and partner in crime, Koh Seah Wee, 41, was sentenced to 22 years in jail.

Lawyers of both men told reporters after the hearing that their family members had not been there.

Since Lim's arrest, life has been hard for his family, the court heard earlier.

Lim's father, 62, mother, 64, wife Tina Gow Poh Choo, 45, biological daughter, seven, and stepdaughter, 14, had written letters pleading for leniency. He had been the one supporting all of them plus his 12-year-old autistic stepson and another three-year-old son.

Now, the seven were left to fend for themselves. Living in a two-bedroom flat in Tampines, they depend on the senior Mr Lim's $1,600 monthly salary as a part-time security guard.

"As I have barely half a lifetime left, I do not have the energy to care for four grandchildren," said Lim's mother. She had to step in to help after Lim's wife, Madam Gow, started work as a real estate agent.

In their letters pleading for a lighter sentence, they painted a picture of Lim as a caring, family man.

"My family condemned his crime but not him," his wife wrote.

His seven-year-old daughter said he always bought toys and books for her and her siblings. But Lim was also the disciplinarian at home, said his wife.

His stepdaughter wrote: "He always tells me not to do anything against the law... It was the first time I saw him cry in front of me when he told me what he has done. I was very disappointed yet I respected him for admitting his mistake."

Lim was also described as someone who loved cars. His father and a former schoolmate had touched on his obsession in their letters.

"His weakness is the love for cars," wrote his father. "So in a moment of folly and overcome by greed, he treaded on the wrong path."

Among the items Lim bought with his ill-gotten gains were an Audi TT coupe 2.0, a Porsche Cayman S tip and a second-hand Ferrari F430 F1.

When The Straits Times visited the family's flat yesterday, they were at home but did not open the door.

Koh's family were also at home but his wife did not come to the door when The Straits Times visited.

Madam Alice Yeing Nyok Sea, 40, and her nine-year-old daughter live in a rental apartment at a Siglap condominium.

Previously a housewife, she has had to work part-time after her husband's arrest.

Possessions forfeited

THE following lists the properties and other items seized from:

KOH SEAH WEE

- $554,872 from banks and unit trusts
- Two properties in East Coast worth $2.4 million
- Two insurance policies
- $21,000 in cash
- $1.1 million in a storage box at IMM
- $96,320 from the developer of Optima@Tanah Merah

- $1.6 million from the sale of a Lamborghini (above) and two Mercedes-Benzes
- $464,429 from the sale of investment and foreign currency accounts
- $1,550 prepayment (StarHub)
- $5,000 prepayment (Singapore Power)

Total: $6.2 million

- $1.3 million from his wife Alice Yeing Nyok Sea, $20,986 from a bank account belonging to his mother Kok A. Mui
- 23 luxury watches, including 11 Franck Muller ones and two each of Audemars Piguet, Cartier and Rolex
- Branded bags – eight Louis Vuitton ones, six of Chanel and one each of Hermes and Gucci and a Gucci purse
- 18 pieces of jewellery

LIM CHAI MENG

- Cashier's orders from the sale of a terrace house in Tanah Merah Kechil Avenue and a condominium totalling $927,218
- $81,235 from bank accounts and Sing Investments
- $10,800 from the sale of a crashed Ferrari body; road tax refund of $2,302, and $207,862 for preferential additional registration fee/certificate of entitlement rebates
- 10 branded wallets and bags, mostly Louis Vuitton except for two from Prada and Dior
- A Cvstos and two Franck Muller watches

Total: $1.2 million

- The remaining $2 million was recovered from the bank accounts of his wife Tina Gow Poh Choo, nephew, mother, mother-in-law, his nephew's wife and his step-daughter. The amounts ranged from $5,045 to $81,917.

Fifth man in SLA scam jailed for 18 months

Tan admitted to three charges of plotting with four others to cheat SLA into making payments to TPL Communication.

A FIFTH man was put behind bars for 18 months on Wednesday for his role in the $12 million Singapore Land Authority (SLA) scam.

Tan Meng Teck, 43, now unemployed, admitted to three charges of plotting with four others to cheat the statutory board into approving payments of $56,500, $59,000 and $59,900 to mobile equipment firm TPL Communication.

The money was for work to be done under contract that was never carried out.

In Tan's case, SLA paid a total of $388,260 to TPL and Advent Enterprise under 11 contracts in March 2008.

The two main perpetrators in the $12.2 million scam are now serving 22 years and 15 years in jail respectively.

Former deputy director of SLA's technology and infrastructure department Koh Seah Wee, 41, and then-manager Lim Chai Meng, 38, hatched the conspiracy in end-2007 to come up with fake quotations.

Although they would stick to the procurement procedure, the results would be rigged. They would arrange for their own "vendors" to offer the lowest quotes. Lim would recommend awarding the contracts to these vendors, and Koh would approve them.

SLA was deceived into paying $12.2 million under 282 contracts given to 11 vendors.

The court heard that in early 2008, Koh asked Lim to source for more vendors to participate in the scam, in order to spread out the contracts to avoid suspicion from SLA.

Lim roped in TPL and Advent through Tan and Seah Hwee Thong, 48, whose case is pending.

Lim would inform Tan how much to quote and describe the transactions to him so that he could prepare and submit TPL's and Advent's invoices to SLA.

Tan's share of proceeds from the conspiracy was about $32,000, of which he has made full restitution.

Lawyer Lee Teck Leng said in mitigation that his client's role was limited and his benefit small. There was no abuse of trust and Tan had cooperated during the investigations.

Two others in the scam have been given 10 years and three years in jail, while another two were cleared in February after a stern warning was issued.

Tan could have been jailed for up to three years, or fined, or both jailed and fined for each charge.

ELENA CHONG

So that SLA would be induced to pay for the goods and services, the vendors submitted false invoices to SLA. When SLA paid the vendors they transferred most of the payments to Koh and Lim. Over a three year period, SLA was deceived into paying about $12 million for goods and services it did not receive.

Koh and Lim abused their authority over the budgeting and procurement of goods and services by circumventing the safeguards of the procurement system of SLA. They were careful to follow the approved procedures of procurement and Koh kept within the approved limits of expenditure.

When CAD commenced the investigation, Koh was holidaying at the United States. He was arrested upon his return to Singapore on 23 June 2010.

The investigation of the cheating offences committed on SLA was largely completed within a month, and Koh and Lim were each charged with 282 counts of cheating under the Penal Code.

The investigation revealed that Koh had also cheated IPOS and the Supreme Court when he was deployed there by IDA in the earlier years of his employment. Although Koh had also conspired with private sector vendors then, he did not have an accomplice in IPOS and the Supreme Court.

At IPOS, Koh was the procurement officer of its IT Department, but unlike at SLA, he did not have the authority to approve the award of contracts. Nonetheless, Koh managed to evade the checks by his supervisors and pushed through 8 purchases of IT products and services that were not required by IPOS. His dishonesty led to the award of 8 supply contracts to a company registered by his longtime friend and caused IPOS to disburse $285,868.60 to the vendor for goods and services IPOS neither needed nor received. Koh took a share of the vendor's

Seah Hwee Thong pleaded guilty to two counts of engaging in a conspiracy to cheat the Singapore Land Authority into approving payments of $59,000 and $59,900 to a telephone equipment firm in 2008. ST PHOTO: WONG KWAI CHOW

SLA scam: Last man jailed 18 months

THE last man to be convicted in the multimillion-dollar Singapore Land Authority (SLA) scam was jailed for 18 months yesterday.

Seah Hwee Thong, 48, pleaded guilty to two counts of engaging in a conspiracy with former SLA employees Lim Chai Meng and Koh Seah Wee, as well as two others including Tan Meng Teck, to cheat the SLA into approving payments of $59,000 and $59,900 to a telephone equipment firm, TPL Communication, in 2008.

He also admitted "perverting the course of justice" by creating false evidence to mislead the Commercial Affairs Department (CAD); nine other charges of cheating were also considered.

Deputy Public Prosecutor Jean Chan said that Koh, 41, then deputy director of the SLA's technology and infrastructure department; and Lim, 38, then a manager, had plotted in 2007 to defraud the statutory board with fake quotations. For their role in the $12.2 million scam, they are serving 22 years and 15 years in jail respectively.

The SLA was deceived into awarding contracts and small-value purchases to "vendors" who had no intention of fulfilling them.

In early 2008, Koh asked Lim to get more "vendors" to take part in the scam to avoid suspicion from the SLA.

Lim then got two more vendors, TPL and Advent Enterprise, through Tan and Seah.

Tan and Seah acted as middlemen in the scam by linking up the then SLA employees with the supposed vendors.

As an SLA employee, Lim would inform Tan, 43, how much to quote and how to describe the transactions. Seah would then provide Tan with soft-copy templates of both firms' invoices, which Tan passed to Lim for processing.

The two firms were paid $388,260 by the SLA as a result – though no products or services stated in the quotations were ever sent or delivered.

The court heard that when Seah got wind of the CAD investigation in 2010, he told a director of Advent that he would arrange for boxes of computer servers to be delivered to the firm's office.

A piece of paper was affixed to the boxes to show that the order was meant to be delivered to the SLA for contracts signed in 2007.

This was done to mislead the CAD investigators, said DPP Chan. To derail the probe, Seah also created fake documents purportedly issued by a Malaysian company for $108,000, supposedly the value of the equipment delivered.

Seah has returned $15,000 he claimed he got from Tan to the SLA. The prosecution, however, could not verify how much he benefited from the scam.

Tan, who was the fifth man to be sentenced, was also jailed for 18 months for cheating last month.

ELENA CHONG

profit. He also pushed through another 7 purchase transactions in similar fashion. For these misdeeds, Koh was charged with 15 counts of cheating.

Koh had less influence over IT purchases during his stint at the Supreme Court. He was the IT Consultant of the Computer Information Systems Department. As the consultant, he recommended the award of IT purchases by the Supreme Court to several vendors. Unknown to his supervisors, Koh had an interest in the vendor companies in that he was involved in the management of these companies and shared in their profits. The failure to disclose his interest in these companies led to the Supreme Court awarding the contracts to the vendors which would not have happened, had the Supreme Court known of Koh's interest in the companies. Koh Seah Wee was charged with 63 counts of cheating offences for his misdeeds at the Supreme Court.

Koh Seah Wee and Lim Chai Meng were sentenced to 22 and 15 years in jail respectively for the cheating offences. Four of the vendors who conspired with them to commit the fraud on SLA were also sentenced to imprisonment, of between 18 months and 10 years.

Electronic Fund Transfer
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Banking
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Related Services
Add Payee
Add INTERAC Email Money Transfer Recipient
Add Other RBC Royal Bank Customer
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↗ REPORT BY FINANCIAL INVESTIGATION DIVISION

Singapore is well-positioned as one of the main financial hubs in Asia. While this represents exciting opportunities for our economy, the high volume of fund flows increases our vulnerability to money laundering risks, and with that, brings a need to increase our vigilance.

One of the main priorities of FID is to reduce the likelihood that Singapore would be used as a conduit to launder the proceeds of crime or for other criminal activities. FID believes in preventing, detecting and deterring money laundering regardless of where the underlying criminal activity occurred, and whether or not the victim of crime is based in Singapore, as we want to help safeguard the integrity of Singapore's financial system.

The Importance of Financial Investigation and Financial Intelligence

Simply put, criminals commit financial and certain other crimes for the money. They are aware of Singapore's tough laws and robust enforcement, and yet may proceed to commit their crimes, having assessed that the prospect of getting a large sum of illicit money is worth the risk of going to jail.

In order to effectively deter and fight such crime, it is not sufficient to merely investigate and apprehend the criminal, and send him to jail. The criminal is already prepared for this outcome. We need to recover as fully as possible the proceeds of crime, so that the criminal will not have any illicit wealth awaiting him after his release from prison.

To do so, it is essential that a financial investigation is conducted in all relevant cases to identify and trace proceeds of crime, and unravel the criminal's efforts to protect his illicit wealth through money laundering. A financial investigation may also uncover evidence of criminal activity by abettors and criminal syndicates. This is the cornerstone of an effective Anti Money Laundering/ Counter Financing of Terrorism (AML/CFT) regime.

The Financial Action Task Force (FATF), an inter-governmental standard-setting body that spearheads the global fight against money laundering and terrorist financing, has emphasised the importance of proper financial investigations. In Recommendations 30 and 31 of the new FATF 40 Recommendations, there are now explicit expectations that financial investigations take place pro-actively and in parallel with investigations into predicate offences. There is also an explicit requirement on the use of financial intelligence for such investigations.

As the specialist money laundering and terrorism financing investigation unit, FID firmly believes in proper financial investigations and the use of financial intelligence. For example, the Proceeds of Crime Unit (PCU) conducts regular outreach and training sessions to other SPF units and Home Team Agencies on applying financial investigation tools and provides guidance on conducting simple money

laundering investigations. The Suspicious Transaction Report Office (Policy & External Liaison) Branch (STRO(PEL)) also ties up with PCU during such outreach and training sessions to promote the use of financial intelligence by investigators.

PCU assists other SPF units and Home Team Agencies to conduct complex financial investigations to identify and trace proceeds of crime, and detect money laundering offences. The Financial Investigation Branch (FIB) has acted under the direction of the Attorney General's Chambers to provide assistance to units from other Ministries on money laundering cases. The predicate offence and PCU/FIB investigators work closely together to coordinate operations and asset recovery actions and recommend appropriate charges on the predicate and/or money laundering offences.

We believe that this multi-pronged approach, that incorporates FATF's standards for law enforcement agencies, will enable us to fight money laundering crimes more effectively.

Taking International Cooperation to a Higher Level

During the past year, STRO concluded five Memoranda of Understanding (MOUs) with our foreign counterparts, increasing our total number of signed MOUs to 25. We have leveraged on STRO's MOUs to obtain financial intelligence information to support domestic investigations. Some of our cases would not have been resolved without vital information provided by our foreign counterparts.

FID will intensify our operational engagement with investigation units to identify suitable cases for early referral to FID. FID will also increase STRO (PEL)'s outreach sessions and publications to the business and financial communities (and their regulators) to heighten awareness of crime trends and typologies.

On our part, we stand ready to share whatever financial intelligence information we may have, in accordance with the terms of the MOU, including proactive (or "spontaneous") sharing of information if we assess that we have information that is relevant to an investigation conducted by a foreign counterpart. Indeed, we have noted an increased level of requests for information from STRO's foreign counterparts during the past year, and have received feedback that our assistance had resulted in the successful conclusion of a number of foreign investigations.

With regard to formal legal assistance, FID is tasked with providing assistance to foreign agencies, in the vast majority of money laundering cases, under our Mutual Assistance In Criminal Matters Act. In the past two years, FID has seen a 20% annual increase in the number of legal assistance requests. Nonetheless, we have streamlined our processes to ensure that our level of responsiveness is maintained despite the higher number of requests.

New Challenges

Our financial investigation, inter-agency cooperation and international cooperation frameworks are already in

place. The new challenge is early detection of cases that potentially require financial investigation and which could disclose money laundering offences.

FID will intensify our operational engagement with investigation units to identify suitable cases for early referral to FID. FID will also increase STRO (PEL)'s outreach sessions and publications to the business and financial communities (and their regulators) to heighten awareness of crime trends and typologies. Such collaborations entrench AML/CFT compliance, and improve the number and quality of STRs, cross border cash movement reports and casino cash transaction reports.

FID is also taking steps to update STRO's information technology infrastructure. The range of enhancements include increasing accessibility of financial intelligence to investigation units and new functions to better atune operational and strategic analysis output towards investigation needs.

Conclusion

The above initiatives will inevitably increase the case load for FID. We nonetheless see this as a necessary step towards our aim of safeguarding the integrity of Singapore's financial system.

Ian Wong
Assistant Director
Financial Investigation Division

↗ HIGHLIGHTS OF FID CASES

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THE STRAITS TIMES FRIDAY, JANUARY 6 2012 PAGE A3

Civil servant jailed for $617,000 voucher scam

He forged e-mails to fund shopping spree, buying up luxury items

By Elena Chong

A CIVIL servant pocketed $617,000 of public money – splashing out on luxury goods such as bags and jewellery.

Liew Chee Meng's job involved helping to buy gift vouchers to use as prizes in competitions run by the Home Affairs Ministry.

But the 35-year-old also used them to fund his own four-year shopping spree, snapping up high-end accessories including two $15,000 Hermes bags.

Yesterday, Liew was jailed for eight years and eight months, a sentence that reflected his position of trust and the time he spent carrying out the scam.

The court heard that the assistant executive hatched a plan in 2007 to buy gift vouchers in the ministry's name which he could then spend on himself. To cover his tracks, he forged e-mails from a superior that made it look as though the purchases had been authorised.

He was careful to always spend just under $3,000 on the vouchers – as transactions costing less than this could be made directly from the stores without a competitive bidding or public procurement process.

But this proved his undoing early last year, after the ministry's finance department began wondering why there were so many purchases costing marginally below $3,000. The bachelor, who joined the ministry in 2003, pleaded guilty to 22 counts of cheating and six of converting the benefits of criminal conduct.

Liew collected the vouchers in person from stores including Takashimaya and Isetan, Deputy Public Prosecutor Tan Ken Hwee told the court.

He tricked the ministry's finance department into paying for them by forging e-mails from the senior director. In some cases, Liew carried out his forgery by altering genuine messages that he had received in the past.

He then went on his shopping spree. In January 2010, he bought a $15,900 Hermes bag using Takashimaya vouchers purchased in the ministry's name. Four months later, he used $18,220 of vouchers to buy two Hermes bracelets, two coin pouches and three Bvlgari rings.

He also splurged on another $15,900 Hermes bag. Six days later, he spent $46,200 worth of vouchers on five Gucci items, a Bottega Veneta handbag and a Mauboussin watch.

Then in June 2010, he used $19,460 worth of vouchers to buy two bags, a bracelet, a padlock, an accessory, three bangles and a strap from Hermes.

DPP Tan said the case had several significant aggravating factors.

Liew had defrauded a public institution, leading to the loss of a large sum of money. He also committed a high number of offences over a long period.

The case involved a serious abuse of trust by a public servant, and the crimes were carefully planned and executed.

Police have recovered almost $475,000 worth of goods from Liew, said the prosecutor. He described him as a recalcitrant offender "who felt not a shred of remorse".

Liew was not merely derelict in his duty, said DPP Tan. He also planned multiple methods of getting around the financial approval and payment system – submitting more than 90 forged e-mails over four years.

District Judge Soh Tze Bian, who took 427 charges into consideration, agreed that a deterrent sentence was needed, given the number of charges and how long the cheating lasted.

Liew said he felt he had let down his team and his senior director. He said he was remorseful for what he had done, adding that he had cooperated with the investigators.

He could have been jailed for up to seven years and fined for each count of cheating. The maximum penalty for converting the benefits of criminal conduct is seven years in prison and a $500,000 fine on each charge.

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Liew Chee Meng was yesterday jailed for eight years and eight months. He bought gift vouchers in his ministry's name and then spent them on himself. ST PHOTO: WONG KWAI CHOW

How he cheated the ministry

IN 2007, Liew Chee Meng hatched a plan to buy gift vouchers in the ministry's name, which he could then spend on himself.

To cover his tracks, he forged e-mails from a superior that made it look as though the purchases had been authorised.

He always spent just under $3,000 on the vouchers – as transactions costing less than this could be made directly from the stores without a competitive bidding or public procurement process.

He would collect the vouchers in person from stores including Takashimaya and Isetan.

He tricked the finance department into paying for them by forging e-mails from the ministry's senior director.

In some cases, Liew carried out his forgery by altering genuine messages that he had received in the past.

↗ PP vs Liew Chee Meng Anderson

Liew Chee Meng Anderson was an executive with the Ministry of Home Affairs. Between January 2007 and January 2011, he submitted forged 'email approvals' for the purchase of shopping vouchers to the ministry's finance officers, leading them to believe that the purchases were for the Ministry's activities and events. Liew used those vouchers for personal purchases of branded goods. He misappropriated a total of $617,087 in this manner. The police investigation resulted in the recovery of $470,000 in cash and other assets.

On 5 January 2012, Liew was convicted and sentenced to 8 years and 8 months' imprisonment for cheating, forgery, criminal breach of trust as a servant and money laundering.

Man jailed for study loan scam

He conspired with a private school to cheat banks by inflating fees

By Khushwant Singh

HE SIGNED up for a course at Brookes Business School and used documents that inflated the fees to apply for study loans from banks.

Later, he used the same tactic to help others obtain similar loans.

Yesterday, Go Boon Chai, 38, who had pleaded guilty two weeks ago to cheating three banks of $2.5 million between 2006 and 2009, was jailed for five years.

A district court had heard that some time before November 2006, Go, then an advertising assistant, had signed up for a business management course at Brookes.

The school made the news in July 2009 when the Ministry of Education cancelled its registration on the grounds that its operator was not "a fit and proper person" to continue to operate it.

Go asked to pay his school fees in instalments and Brookes' then principal Benny Yap Chee Mun, 41, is said to have suggested he apply for a study loan instead.

Court documents stated that Yap provided him with documents that inflated the fees. Go, who applied for two $20,500 study loans, was able to get $12,000 from RHB Bank and $15,500 from Citibank. The money was paid to Brookes.

Yap allegedly kept $9,000 and gave $18,500 to Go.

The two men then hatched a plan to apply for more study loans.

In June 2007, Go placed advertisements in the newspapers through his advertising company Cactus Ad with the message "Need Cash? $10,000" and a telephone number to call.

Go Boon Chai, 38, pleaded guilty two weeks ago to cheating RHB Bank, Citibank and POSB of $2.5 million between 2006 and 2009. He pocketed nearly $200,000.

When people responded, Go and the "student" would take care of the loan application, with Yap allegedly providing documents from Brookes stating the inflated fees.

Later that year, Go was made a bankrupt. He then used a friend's company, called Wahoo! Humanet, to place the ads.

If a loan application was successful, Yap would allegedly take his cut and pay the rest to Cactus or Wahoo, which would pay the applicant after taking a commission.

In late 2007, Go and Yap apparently split up because of doubts about the legitimacy of some of the courses at Brookes.

Go then approached Raffles Academy, but the school would deduct the actual course fees and transfer only the remainder to Wahoo.

Deputy Public Prosecutor Christopher Ong yesterday said the total amount disbursed by RHB, Citibank and POSB came up to $2.56 million. Investigations revealed that Yap kept $380,380 and Raffles Academy received $302,850 for school fees.

Wahoo profited by $760,200, of which nearly $200,000 went to Go. The students received about $812,000 while nearly $280,000 was not accounted for.

The court heard that many of the borrowers were repaying the study loans.

Defence lawyer Ramesh Chandra said Go had committed the offences to pay for the medical expenses of his 62-year-old divorced mother, who suffered from a heart condition and dementia. She died while he was in remand after his arrest in July last year.

It is believed that Raffles Academy, now known as Stamford Raffles College, did not commit any wrongdoing.

Yap is claiming trial on cheating charges and his case will be heard in the months ahead.

For cheating, Go could have been jailed for up to seven years and fined up to $10,000.

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↗ PP vs Go Boon Chai

Go Boon Chai placed advertisements in the newspapers offering "easy loans". Those who responded were told to apply to the banks for study loans on the representation that they are "students" pursuing diploma or degree courses with the now-defunct Brookes Business School LLP and the Raffles Academy Pte Ltd. The loan monies were shared among Go Boon Chai, the "student" applicant and the two schools.

When CAD was called in to investigate, it was revealed that Go Boon Chai abetted the loan applicants to submit false Offer Letters from the two schools to various banks in Singapore to support their study-loan applications. The banks were deceived into disbursing study loans totalling $2.4 million.

On 7 July 2011, Go Boon Chai was convicted of 2 counts of cheating and 206 counts of abetment of cheating. On 16 February 2012, he was sentenced to 5 years' imprisonment.

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THE STRAITS TIMES THURSDAY, JUNE 30 2011 PAGE A3

7 years' jail for cheating bank clients of $4.8m

Relationship manager had run up online gambling debts

By Elena Chong
COURT CORRESPONDENT

AN OCBC Bank relationship manager who cheated clients of $4.8 million over three years, mostly to repay online gambling debts, was sentenced to seven years' jail yesterday.

Tan Wei Chong, 32, now unemployed, duped the bank into believing that his customers had applied to withdraw money from their accounts via cashier's orders or debit authorisation forms.

The father of one pleaded guilty last week to 11 counts of cheating the bank of $2.15 million and €88,122 (S$157,000), and four counts of money-laundering.

In all, he faced 46 charges involving four customers, with the rest taken into consideration during his sentencing.

Deputy Public Prosecutor Teo Guan Siew told the court that Tan, who lost his job in September last year, would either get his clients to sign on blank forms, saying the debiting of their accounts and applications for cashier's orders were for investments, or forge their signatures.

Most of the money was transferred to a joint account maintained by four people, including his brother-in-law Lee Liang Loon.

Some of it was transferred to the personal OCBC accounts of Mr Lee and Tan's wife, Madam Ang Kuh Wei.

Bank guidelines prohibit staff from using their own bank accounts to receive money from customers.

Investigations showed that some of the money was withdrawn via cash cheques or in the form of cash by Mr Lee after the money was credited to his personal or joint account.

The rest of the money went through a few rounds of transfers through several accounts, including Tan's personal OCBC account and a joint account he kept with his wife and mother, before the money was withdrawn in cash.

Tan had transferred the money through the various accounts to avoid arousing suspicion.

He also withdrew cash from his customers' accounts between March 2008 and December 2009.

DPP Teo argued that a stiff sentence was called for, citing three main aggravating factors: The charges were numerous and involved a significant amount; the offences were committed for about three years from November 2007; and Tan had abused the great degree of trust and authority the bank had placed in him.

"His repeated acts over such a substantial period of time show his persistence in engaging in such criminal conduct, and indicate a lack of remorse," the DPP said.

This was definitely not a case of an isolated indiscretion or a momentary lapse of judgment on Tan's part, he added.

Defence counsel Derek Kang said his client started gambling through online casinos around late 2007.

He lost his savings and became desperate.

To try to recoup his losses, he resorted to siphoning away some of his clients' money, he said.

Mr Kang said Mr Lee was kept in the dark and allowed Tan to use his account for what his brother-in-law had said were joint investments with colleagues.

Tan, the lawyer added, would gamble at an online casino and regularly meet a runner to collect winnings or pay losses.

He also transferred some money to parties with whom he betted on soccer matches to settle losses.

District Judge Francis Remedios agreed with the prosecutor that a deterrent sentence was clearly necessary in this case, given the seriousness of the offences committed over three years, abuse of trust and authority, and the substantial amount of money Tan got for himself.

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Tan would either get his clients to sign on blank forms, saying the debiting of their accounts and applications for cashier's orders were for investments, or forge their signatures. Most of the money was transferred to a joint account.

Other cases of cheating by bank staff

■ **September 2009:** Anita Said, then 37 and a clerk with OCBC Bank, was jailed 5½ years for cheating the bank of $1.7 million between December 2002 and October 2007.

She had conspired with her boyfriend, Ragamatthulla Meeran Gani, the owner of a courier company, to falsify courier invoices and submit them to OCBC for payment.

Her boyfriend was given a similar jail sentence.

■ **November 2009:** Nelson Daniel Prajude, then 34, was jailed six years and two months for making unauthorised transfers from clients' bank accounts.

He was a relationship manager with ABN Amro Bank when he forged his clients' signatures between December 2007 and February 2009, resulting in $756,000 in losses to the bank.

■ **October 2010:** Alvin Lim Yuh Haw, now 31, was jailed 21 months for cheating and forgery.

He was a relationship manager with DBS Bank when he made unauthorised transfers from four of his clients' accounts between May 2008 and November 2009.

He had persuaded his clients to sign blank transfer forms, purportedly for the purpose of investments, or forged their signatures.

Most of the money was used to pay off his soccer-betting debts. The bank lost $454,162.

↗ PP vs Tan Wei Chong

Tan Wei Chong was a relationship manager with Overseas Chinese Banking Corporation. Between October 2009 and August 2010, in the course of his work, he misappropriated customers' funds totaling $4.72 million and EUR 88,122.28.

The CAD investigation revealed that Tan Wei Chong withdrew monies from the accounts of four customers in 23 transactions. He submitted forged documents to his bank colleagues to deceive the bank into believing that the account holders were applying to transfer funds from their accounts. He used the same ruse to make eight cash withdrawals from the accounts. In these fraudulent transactions, he either used forms signed in blank by the account holders or simply by forging their signatures on the documents. To avoid detection, Tan routed the monies taken from the customers' accounts through bank accounts of his family

members and he eventually withdrew the money in cash. All that money was spent on his gambling habit. Tan Wei Chong was betting excessively with internet casinos and soccer gaming sites.

On 1 June 2011, Tan Wei Chong was charged in court for 31 counts of cheating and 15 counts of money laundering. On 29 June 2011, he was sentenced to 7 years' imprisonment after pleading guilty to 11 cheating charges and four money laundering charges.

↗ PP vs Lim Boon Liak Anthony

Anthony Lim was an Assistant Vice President with the Customer Propositions team of HSBC Ltd when he committed criminal offences on his employer. At the time of the offences, he was responsible for the HSBC Ltd's marketing programmes, which included placing orders for gift vouchers from Takashimaya Singapore Ltd.

The investigation revealed that between September 2009 and August 2011, Anthony Lim deceived HSBC Ltd into paying $1,910,000 to Takashimaya Singapore Ltd for the purchase of 38,200 Takashimaya Vouchers. He told his employer that the vouchers were needed for HSBC Ltd's marketing programmes. Between February 2009 and September 2009, Anthony Lim also pilfered another 4,516 Takashimaya Vouchers worth $225,800 from a locked compactor in the office.

After he obtained the Takashimaya vouchers, Anthony Lim sold them to persons he contacted through online sites such as E-Bay, and he had referrals from previous buyers. The ill-gotten proceeds were spent on gambling on the 4D and ToTo and on soccer betting. Anthony was a compulsive gambler and the money was also lost at the local and overseas casinos he patronised.

On 20 March 2012, Anthony Lim was prosecuted for offences of theft by a servant and criminal breach of trust by a servant. He was also charged for money laundering. On 22 October 2012, he pleaded guilty to the charges and he was sentenced to 8 years and 6 months' imprisonment.

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Two S'poreans charged after million-dollar Fiji heist

By Kimberly Spykerman

FOUR hours – that was all the time it took for a Singaporean to allegedly stage a crime that is being called the first of its kind, at least in Fiji.

Abdul Quadir Katu Miah, 38, with accomplices as yet unknown, reportedly robbed the Reserve Bank of Fiji on Aug 19 – without stepping out of Singapore.

He and his accomplices just climbed aboard a ship at anchor in Jurong Port and allegedly looted 1 million Fiji dollars (S$709,000) from a container filled with newly printed banknotes bound for Suva, the capital of Fiji.

The banknotes, all of which were FJD$20 bills, were en route to Fiji from England, where they had been printed. They were meant to replenish the supply of FJD$20 bills.

Amazingly, some of this stolen money was already circulating in Fiji, even before the ship berthed at Suva Wharf.

It was probably brought in by tourists from Australia, according to a spokesman for the Fiji Police Force, Mr Fred Elbourne.

The theft itself was only discovered two weeks later, after the shipment reached the Fijian capital.

Abdul Quadir was arrested last Thursday, and charged in a subordinate court on Friday with theft.

Another man, Azlee Abd Shukor, 37, was charged the same day with receiving and retaining FJD$480,000 of the stolen money.

It is not clear if the men worked in the shipyard.

Both have been remanded and will next appear in court on Friday.

Court documents revealed that more than one individual was likely to have been involved in the heist.

When contacted, a police spokesman said it was inappropriate to comment further since investigations were ongoing.

The shipment transited in Singapore for about two weeks, according to Mr Elbourne, who did not reveal the total amount the shipment contained.

Court documents showed that Abdul Quadir allegedly went on board the Pacific Voyager between 7pm and 11pm on Aug 19 to commit the theft. Two days later, Azlee reportedly received part of the loot. Although it is not yet known if he took part in the theft, Azlee was allegedly aware that the money had been stolen.

A truck driver at the Suva wharf noticed the broken seal on the container when the ship docked on Sept 4 and alerted the authorities. The theft was only then discovered.

Mr Elbourne said the Fiji Police Force then launched investigations in collaboration with the authorities in Singapore, New Zealand, Hong Kong and Australia.

Two senior Fijian police officers spent about three weeks in Singapore, Hong Kong and Australia, aiding investigations.

They wrapped up investigations and returned to Fiji a little more than a week ago.

Mr Elbourne said this was the first known case in Fiji of banknotes being stolen from a cargo ship in transit.

Adding that the Fiji police were very grateful to all the authorities involved, he said: "This is a classic case of a multi-jurisdictional investigation. The success of this case was largely due to this cooperation."

If found guilty of theft, Abdul Quadir could be fined and jailed up to three years.

If found guilty of dishonestly receiving or retaining stolen property, Azlee could be fined and jailed up to five years.

↗ PP vs Abdul Quadir S/O Katu Miah and Others

Abdul Quadir s/o Katu Miah was working as a time-keeper and container-checker at Jurong Port when he learnt that the m.v. Pacific Voyager was carrying a container of newly printed Fiji dollar notes. He and two accomplices broke into the container and stole 1 million Fijian dollars of $20 denomination. They exchanged the stolen currency notes for other currencies at various licensed money changers in Singapore and Hong Kong.

When CAD officers got wind of the circulation of the new Fijian notes, they gathered financial intelligence and made extensive inquires to trace the source of the Fijian currency notes. At the same time CAD contacted the Royal Police of Fiji and obtained their co-operation in the investigation. The CAD effort led to the successful arrest of Abdul Quadir and his accomplices. A total of 114,060 Fijian dollars was recovered in Singapore. Another 735,900 Fijian dollars were traced to three financial entities in the United Kingdom, Australia and Dubai.

On 9 May 2011, Abdul Quadir and his accomplices were convicted in court for conspiracy to commit theft-in-dwelling, criminal trespass and money-laundering offences. Abdul Quadir was sentenced to 5 years' imprisonment and his two accomplices were sentenced to 4 years and 9 months' and 4 years' imprisonment respectively.

Fined for unlicensed remittance business

By Elena Chong

WHEN a father received a call telling him his daughter had been kidnapped, he did as he was told.

The 56-year-old Singaporean remitted a $2,000 "ransom" to a bank account in China.

But after sending the money, he realised that the "kidnapping" was actually a scam.

He reported it to the police, who arrested the woman who helped him to remit the funds.

And although it turned out she had nothing to do with the kidnap scam, investigations revealed she had been running an unlicensed remittance business.

Yesterday, Liu Yueyi, 31, was fined $10,000.

The Chinese national's illegal business began after she started helping customers of her other firm, a freight forwarding company, to pay for goods bought from abroad. She charged a maximum fee of $8 or 2 per cent of the remittance, whichever was lower.

Assistant Public Prosecutor Charlene Yang said the money Liu earned from her illegal business amounted to about 10 per cent of her monthly income of $3,000 to $4,000 from the freight forwarding firm.

District Judge Christopher Goh said those who operate unlicensed remittance businesses are usually fined between $8,000 and $15,000, depending on how long they do it for and how much profit they make.

Liu, a Singapore permanent resident, ran hers between November 2010 and June 12 last year.

In 2009, another Chinese national was fined $40,000 for operating a similar illegal business for about three years and remitting a total of $3.6 million.

Liu could have been fined up to $100,000, jailed for up to two years, or both.

The kidnap scammers are still at large.

↗ PP vs Liu Yueyi

Liu Yueyi, a Chinese national and a permanent resident of Singapore, had been providing illegal remittance services from her home since November 2010. A licence is required for the conduct of a money remittance business. Her customers wishing to remit monies to overseas beneficiaries transferred their monies into her personal POSB account via internet banking or the automated teller machines. Liu Yueyi then arranged for the overseas beneficiaries to collect the monies from designated remittance agents in China. She charged a fee of the lower of $8 or 2% for each remittance transaction.

Liu was found out on 12 June 2011, when a victim of a kidnap scam approached Liu's remittance service to remit a "ransom" of $2,000 to an ICBC bank account in China. The investigation into the kidnap scam revealed that Liu Yueyi remitted funds to the kidnap scammers in China.

On 28 February 2012, Liu Yueyi was prosecuted in court for carrying on a remittance business in Singapore without a valid remittance licence. On 2 May 2012, she was convicted of the charge and fined $10,000.

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Three jailed for OCBC housing loan scam

Bank exec plotted to get 179 loans worth $63m approved

BANKING executive Winnie Goh Li Ching was jailed for five years yesterday for cheating her employer in a multi-million-dollar housing loan scam.

Her two accomplices were handed the same sentence after the court heard that the trio used forged documents to trick OCBC Bank into giving out mortgages to people too poor to qualify.

Their scam involved gathering a pool of potential buyers who were offered money in return for allowing their names to be used in the forged documents. Once the properties were bought, the trio could hold on to them for up to two years before selling them for a profit.

Goh, 34, pleaded guilty last week to 33 charges. The court heard she plotted to get 179 mortgage loans approved, totalling $62.8 million.

It earned the business support manager $44,633 in commission and $11,258 in estate agents' referral fees.

Goh admitted getting some of her contacts to forge the application papers. She paid them a few hundred dollars for each document, using part of the money she received from the agents.

Her accomplices were Lau Thuan Heng and his lover Siti Rahayu Masud.

The couple, who pleaded guilty to six charges each, were involved in 14 property deals involving loans totalling $11.1 million.

Freelance estate agent Lau, 63, and Siti Rahayu, 38, earned a total of $1.2 million from the scam, which took place between 2005 and 2007. They caused the bank $170,398 in losses.

The court heard that 84 borrowers were unable to pay the loans back, and 36 ended up having their properties repossessed.

Lau also tried to cheat the authorities out of about $150,000 in a separate scam.

Deputy Public Prosecutor Serene Chew said that he was made bankrupt in June 2006, and the money in his accounts was transferred into the Official Assignee's bankruptcy estate.

He and his lover wanted the funds, so they devised a fraudulent plan to get their hands on them. The couple told the Official Assignee that around $150,000 in two accounts belonged to Siti Rahayu's younger brother Mohamad Ridhwan.

This led the Insolvency and Public Trustee's Office to make two payments of $149,990 and $5,374 from the bankruptcy estate to Mr Ridhwan. In fact, the money in the accounts was the proceeds of property sales made by Lau.

He, Goh and Siti Rahayu could have been jailed for up to seven years and fined on each charge.

Goh's lawyer, Mr Chen Chee Yen, filed a notice of appeal against the sentence.

In a separate case, a businessman was also jailed for five years for cheating OCBC.

Tan Thiam Wee was the director of software company Idealsoft, which had a factoring agreement with the bank. This meant that if it had given a customer an invoice which had not yet been paid, the company could ask OCBC to advance 85 per cent of the value.

The 38-year-old decided to cheat the bank by forging 176 invoices. As a result, $2.6 million was credited to his company's account between 2007 and 2008.

OCBC is still owed $634,075 of this money. Tan, who is now bankrupt, had his sentence deferred until Jan 11 to allow him to settle personal matters.

He could have been jailed for up to 10 years and fined on each of the 12 charges he pleaded guilty to.

Another 164 similar charges were taken into consideration.

ELENA CHONG

↗ PP vs Winnie Goh Li Ching and Others

Winnie Goh Li Ching was a mobile banking executive with Oversea-Chinese Banking Corporation. In the course of her work between 2004 and 2006, she submitted forged income documents for 179 mortgage loan applications, thereby deceiving the bank into lending over $62 million for the purchase of residential properties. At the conclusion of the police investigation, Winnie Goh was charged for conspiring with real estate agents to cheat the bank into releasing mortgage loans. To carry out her scheme, Winnie Goh engaged a forger to create the income documents needed for loan applications. She was the go-between for the real estate agents and the forger.

Two real estate agents namely, Lau Thuan Heng and Siti

Goh's scam earned her $44,633 in commission and $11,258 in estate agents' referral fees. ST PHOTOS: WONG KWAI CHOW

Tan forged 176 invoices and as a result, $2.6 million was credited to his company's account between 2007 and 2008.

Rahayu, conspired with Winnie Goh. The two agents handled 14 of the bad loan transactions valued over $11 million. In addition, Lau Thuan Heng was declared a bankrupt in 2006 and funds in his bank accounts were transferred to his bankruptcy estate with the Official Assignee. Together with Siti Rahayu and her brother Mohamad Ridhwan Bin Masud, he hatched a plan to cheat the Official Assignee. They made false statements to the Official Assignee claiming that the funds belonged to Mohamad Ridhwan Bin Masud. Their deception caused the Insolvency and Public Trustee's Office to pay over $150,000 to Mohamad Ridhwan Bin Masud.

Winnie Goh, Lau Thuan Heng and Siti Rahayu were charged for conspiracy to cheat. They were sentenced to imprisonment terms of 5 years each. They appealed to the High Court but the High Court upheld the sentences.

This case illustrates the importance of maintaining the integrity of Singapore's financial market. Justice VK Rajah noted during the appeal that "deception of financial institutions is an aggravating factor" and perpetrators who seek to commit such an offence should receive a robust sentence.

↗ PP vs Kong Hee and Others

CAD commenced investigation on 31 May 2010 into City Harvest Church (CHC) after receiving information of the misuse of CHC funds. The investigation led to the prosecution in court between 27 June 2012 and 25 July 2012 of six persons connected to CHC. The six persons are Kong Hee (then President of CHC Management Board), Lam Leng Hung (then member of CHC Management Board), Tan Ye Peng (then Vice President of CHC Management Board), Chew Eng Han (then director of AMAC Capital Partners Pte Ltd, Investment Manager of CHC), Tan Shao Yuen Sharon (then Finance Manager of CHC) and Serina Wee Gek Yin (former Finance Manager of CHC).

Kong Hee, Lam Leng Hung, Tan Ye Peng, Chew Eng Han and Serina Wee Gek Yin were charged for conspiracy to commit criminal breach of trust as an agent with respect to $24 million from CHC's Building Funds. In addition, Tan Ye Peng, Chew Eng Han, Serina Wee and Sharon Tan faced similar charges with respect to $26,638,936.61 from CHC's funds, and also charges of falsification of accounts. The case is pending trial in the Subordinate Courts.

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↗ REPORT BY SECURITIES AND MARITIME FRAUD DIVISION

The Securities and Maritime Fraud Division (SMFD) comprises the Securities Fraud Branch (SFB) and the Maritime and Investment Fraud Branch (MIFB). SFB investigates all criminal offences under the Securities & Futures Act, which is the main legislation governing the local securities and futures industry. This includes cases of market manipulation and insider trading. Meanwhile, MIFB investigates maritime, investment and financing-related fraud. The wide scope covers matters such as forged letters of credit, pyramid-selling schemes as well as investment scams. MIFB also investigates into severe cases of criminal breaches of trust and cheating.

Reviewing 2011

We saw closure for several cases this year. Of note is a case of market manipulation involving the shares of Chuan Soon Huat Industrial Group Ltd (CSH). For fifteen months in 2004 and 2005, Lee Siew Ngan, the former Group Finance and Administration Manager of CSH, and her 2 trading representatives Ngo Poon Khiam and Kelvin Ng were involved in a conspiracy to support the price of CSH shares. This was in an effort to minimise the margin calls arising from the CSH shares Lee Siew Ngan had pledged to various financial institutions. All three have been convicted and sentenced. Their story is told in the following pages.

Some might argue that market manipulation practices do not hurt anyone and that the current shareholders might even benefit from the stability or the increased share prices caused by such actions. However, market manipulation is not a victimless crime. For every person who benefited from the false pricing, there is someone who would have suffered some loss due to it. At the macro level, such manipulative behaviour damages the credibility and integrity of Singapore's financial markets. We will continue to pursue cases of manipulative behaviour vigorously.

In last year's Annual Report, I highlighted that we were awaiting the High Court appeal judgment on the disclosure and insider trading charges against the former directors of listed company Airocean Group Limited with interest. The judgment was released on 27 July 2012. All three persons, Peter Madhavan, Johnson Chong and Ong Seow Yong were acquitted of the disclosure charges against them. Johnson Chong's insider trading convictions were upheld, but the sentences were reduced to fines. We are studying the judgment closely to understand its implications.

A Word Of Caution

We continue to see a steady stream of complaints from members of public who put their hard-earned monies in various investment products

and failed to get their principal back, let alone receive the promised returns.

Many of those who put their monies into these products were attracted by the promise of high returns made by eloquent and charismatic salespersons, or relied heavily on the personal accounts of their friends, who may have received some of the returns promised to them. However, as many cases have served to prove, it cannot be assumed that just because others had earlier gained from the scheme, one will be able to safely reap returns as well.

We urge anyone who is keen on making an investment to exercise caution before plunging into an investment arrangement. The company promoting the scheme can be operating in a plush office. Potential investors may be attended to by well-spoken, well-dressed salespersons. All this does not necessarily mean that the investment is genuine. An arrangement that sounds sophisticated is also not necessarily more legitimate than a simple one. Before putting their money in the arrangement, investors should find out more about the company or the nature of its business. Given that hard-earned money is at stake here, potential investors should have no qualms asking the promoters what assets they are paying for and how the company intends to generate promised returns. One should think thrice about investing if such questions are met by vague answers, or told that such information is secret.

Although investigations and prosecutions may serve to eventually bring the perpetrators to justice, it may not bring much reprieve to the victims. In most cases, the investment monies have been squandered by the time investigation commences. A real-life investment fraud is featured in the following pages.

For every person who benefited from the false pricing, there is someone who would have suffered some loss due to it. At the macro level, such manipulative behaviour damages the credibility and integrity of Singapore's financial markets. We will continue to pursue cases of manipulative behaviour vigorously.

Many schemes are able to make good their promises only in the initial stages, if at all. Investors usually have no means of telling when such schemes will spiral into failure, and those who enter later are usually at a greater risk of losing their investments.

Rachel Koo
Assistant Director
Securities and Maritime
Fraud Division

↗ HIGHLIGHTS OF SMFD CASES

↗ PP vs Sim Yong Teng

Sim Yong Teng is the Executive Chairman of Sinwa Limited, which is listed on the mainboard of the Singapore Exchange Securities Trading Ltd (SGX). On 28 March 2012, he was charged in court for insider trading and disclosure offences. Between May and June 2006, Sim Yong Teng accumulated 849,000 Sinwa shares in the name of his friend Tan Leh Hong. On 16 January 2007, he sold these shares whilst in possession of information that Sinwa was contemplating a share placement of 30 million new ordinary shares at S$0.465 each.

The next day, Sinwa announced a share placement of 33 million shares at the price of S$0.465 per share. It is alleged that Sim Yong Teng was in possession of the information regarding the intended placement when he traded in Sinwa shares on 16 January 2007 and that such information is material and not available to the public. Sim thereby breached the insider trading law.

In addition to the insider trading offence, Sim failed to disclose the purchase and sale of these Sinwa shares to the SGX and to the company, as is required of a director of a listed company.

One of the purchases making up the 849,000 shares triggered another disclosure requirement in relation to Sim Yong Teng being a substantial shareholder; it was established that he had failed to disclose the change in his shareholding as required. It is therefore also alleged that Sim has breached various disclosure requirements in the Companies Act and the Securities and Futures Act.

At the time of this publication, the case against Sim Yong Teng is pending trial in the Subordinate Courts.

money.companies

THE STRAITS TIMES WEDNESDAY, MARCH 28 2012 PAGE B15

Sinwa chairman on insider trading rap

Charges follow CAD probe that began in 2008; executive director cleared

By Melissa Tan

THE executive chairman of marine supply and logistics company Sinwa has been charged over insider trading.

The charges follow an investigation by the Commercial Affairs Department (CAD) that began in 2008.

Sim Yong Teng, also known as Mike Sim, is accused of insider trading in the company's shares and failing to notify the Singapore Exchange of a change in his shareholdings within two business days, Sinwa said yesterday in a statement.

The offences were allegedly committed in 2006 and 2007, Sinwa noted, but it did not specify which share transactions were involved.

Sim was chief executive until July 1 last year, when he was replaced by executive director Bruce Rann.

Bloomberg said Sim made a "gift disposition" of 225,000 shares in January 2006. He also bought 481,700 shares in May 2006 via an unspecified method.

His family's wholly owned investment vehicle, Evenstar Investments, bought 204,666 shares off-market in April 2006, acquired 35.144 million shares in May 2006 via an unspecified method, and sold 12 million shares in an off-market married deal in November 2006.

As of March 21 last year, Sim held a direct stake of 4.7 million shares, or 1.41 per cent of Sinwa, and a deemed stake of 140.1 million shares, or 42.03 per cent.

Ms Tan Lay Ling, an executive director who was also being investigated, has been cleared.

Sinwa noted yesterday that Ms Tan's personal bond of $2,000 has been cancelled and the CAD has told her that it will not take further action against her.

Both Sim and Ms Tan had to post personal bonds of $2,000 each in 2008 when the CAD probe began.

Bonds are less common as bail is often required. Lawyers said in 2008 that the size of the bond indicated that the scale of the alleged offences may not be that severe.

Sinwa added that "business operations will continue as per normal".

The thinly traded counter last changed hands at 14 cents on March 21, with 102,000 units traded. The average trading volume over the past 12 months has been below 60,000.

Its stock hit a high of 69.8 cents on July 25, 2007, but then tumbled sharply, hitting a low of 5.8 cents on Oct 29, 2008.

Sinwa was started in the 1960s by Sim's father, to supply vegetables to Japanese ships anchored off Singapore. It expanded and now supplies a wide range of stores, provisions and equipment to ships and oil rigs.

Sim and his brother David took up positions in their father's expanding company, with the former leading it to a Sesdaq listing in 2003. In 2005, the company moved to the mainboard.

It appears then that the siblings fell out, with David selling his stake in Evenstar Investments to his brother in 2006.

That same year, Sinwa diversified into the burgeoning oil and gas industry. It has since acquired a liftboat jack-up rig and a seismic vessel to charter out to exploration companies.

In November last year, it expanded into the marine engineering business by buying a 70 per cent stake in the Fu Om Group – renamed Sinwa Engineering – and establishing the AMS Marine and Engineering Group.

Sinwa posted a net profit of $5.5 million for the 12 months that ended on Dec 31 last year, a 72.5 per cent leap from $3.2 million in 2010.

Revenue rose 13.6 per cent to $133.2 million, while earnings per share was 1.64 cents, up from 1.29 cents a year earlier.

Sinwa attributed the revenue growth to a higher contribution from the marine supply business.

Last month, it proposed a first and final tax-exempt cash dividend of 0.5 cents per ordinary share, representing a payout of around 30 per cent of the group's earnings for last year.

melissat@sph.com.sg

Sim Yong Teng is also accused of failing to notify the SGX of a change in his shareholdings within two business days. PHOTO: SINWA

prime.news

Chairman felled by stroke, but SGX not told

Furniture firm directors charged with failure to reveal change at the top

YANG HUIWEN

THE managing director and four former directors of Chuan Soon Huat Industrial Group were charged yesterday with failing to tell regulators that there had been a change in the effective control of the firm.

The charges under the Companies Act centre on statements in the furniture company's 2004 and 2005 annual reports regarding the role of former executive chairman Lee Tian Teck.

He was listed as chairman until his November 2006 resignation, when in fact he had suffered a stroke in December 2003 and did not attend another board meeting after that.

The Subordinate Courts heard that the five failed to tell the Singapore Exchange (SGX) that Mr Lee was no longer discharging his duties as executive chairman.

They include managing director Lee Thian Soon, 52, who is Mr Lee's brother.

The others charged are operations head Lee Siew Hoe, 48, and group general manager and marketing head Lim Kiang Soon, 49. They are also former executive directors.

Former independent directors Sng Keng Ling, 52, and Peter Moe, 54, were also charged. Both resigned from the board early last year.

The five are accused of breaching section 157(1) of the Companies Act, which prescribes that "a director shall...act honestly and use reasonable diligence in the discharge of the duties of his office".

They face fines of up to $5,000 or jail for up to a year.

The charges stem from an investigation by the Commercial Affairs Department (CAD) in 2006. In November that year, the five directors as well as non-executive director Geoffrey Aldridge were arrested and released on bail.

Mr Aldridge has not been charged.

Chuan Soon Huat's board of directors, excluding managing director Lee Thian Soon, told the SGX yesterday that it "will discuss and determine the next steps to be taken in the best interests of the company".

The court case is the latest blow for the loss-making firm, whose share price has fallen by over 70 per cent since the start of last year. It closed unchanged at 1.5 cents yesterday.

Its losses have ballooned from $2.1 million in 2005 to $13.3 million last year. It most recently reported a loss of $1.69 million for the second quarter.

It has been placed on the SGX's watch-list as it has registered pre-tax losses for its three most recently completed consecutive financial years. Companies on the watch-list risk being delisted within 24 months.

Also, chief financial officer Yoong Weng Cheong resigned in April "to pursue other career opportunities in China".

yanghw@sph.com.sg

Managing director Lee Thian Soon (left) has been charged with failing to tell SGX that his brother Lee Thian Teck was no longer discharging his duties as executive chairman.

ST PHOTOS: WONG KWAI CHOW

Lee Siew Hoe, operations head for the loss-making firm, was also charged under the Companies Act.

Marketing head Lim Kiang Soon also faces fines of up to $5,000 or jail for a year.

Former independent director Sng Keng Ling, who quit the board last year, was charged too.

Another former independent director who resigned from the board, Peter Moe, was charged as well.

↗ PP vs Lee Siew Ngan and Others

Chuan Soon Huat Industrial Group Limited (CSH), a manufacturer and distributor of wooden doors, started out as a family business. In January 1997, it was listed on the mainboard of the then Stock Exchange of Singapore (now known as the Singapore Exchange Securities Trading Ltd). Seven years later, in 2004, members of the founding Lee family were still holding key positions in CSH – Lee Tian Teck was the chairman and Lee Thian Soon was the managing director. The family held a sizeable stake in the listed entity, mostly through an investment vehicle.

Other members of the Lee family also worked in CSH. One of them, Lee Siew Ngan, the Group Finance and Administration Manager, is the sister of Lee Tian Teck and Lee Thian Soon. In mid-August 2004, Lee Siew Ngan had about 20 million CSH shares pledged as collateral for margin facilities from Kim Eng Securities Pte Ltd, Malayan Banking Berhad, HL Bank, Citibank Singapore Ltd and Singapura Finance. This meant she was subject to the vagaries of the stockmarket, and she would be asked to top up the margin levels when the market value of her collateral fell below specified levels.

Unfortunately for Lee Siew Ngan, the share price of CSH had been on a general downward trend since early 2002. From $0.375 on 2 January 2002, the share price had drifted down to close at $0.315 on 15 August 2004. This slide in share price resulted in Lee Siew Ngan having to constantly top up the shortfalls in the various margin accounts in line with the fall in the overall value of the collateral. At one point, when the CSH share price fell from $0.300 to $0.290, she faced margin calls of more than $94,000.

According to Lee Siew Ngan, she found these frequent margin calls "irritating". She decided to reduce the occurrence and size of margin calls on her trading account facilities by supporting the price of CSH shares.

Lee Siew Ngan asked her trading representatives from UOB Kay Hian Pte Ltd – Ngo Poon Khiam and Kelvin Ng See Kim – to assist in fulfilling her objective of supporting the CSH share price. They agreed to give her a hand and she gave Ngo Poon Khiam and Kelvin Ng a broad mandate. Basically, she asked them to fix the closing price of CSH by purchasing the shares frequently and in sufficient volume to achieve the desired price as determined by Lee Siew Ngan. More than one trading account was needed to put the plan into action. Lee Siew Ngan asked her husband, her niece and her nephew to open accounts with one of the two trading representatives so that she could trade through their accounts as well as her own. She promised them that she would be responsible for losses incurred from her trading.

The trading representatives Ngo Poon Khiam and Kelvin Ng used a variety of methods to keep the CSH share price from falling. These methods included buying CSH shares whenever the market price fell below the target closing price and trading aggressively at the market close. They experienced some degree of success. Between 16 August 2004 and 1 February 2005, the closing price of CSH remained relatively steady. They continued trying to keep the share price up for the better part of the next ten months. But it slid to $0.29 and finally $0.285. Lee Siew Ngan's financial commitment for the price support activity over a fifteen month period was substantial, requiring over $1.3 million.

On 26 January 2011, Lee Siew Ngan, Ngo Poon Khiam and Kelvin Ng were each charged with one count of false trading and conspiracy to conduct false trading with respect to the market for CSH shares between 16 August 2004 and 30 November 2005. On 27 October 2011, Ngo and Kelvin Ng pleaded guilty to the charge and they were convicted and sentenced to a fine of $200,000 and $180,000 respectively. Lee Siew Ngan being the beneficiary and financier of

The Business Times, Thursday, August 28, 2008 •

Chuan Soon Huat MD charged

4 ex-directors also charged with failing to disclose change in effective control

By **EMILYN YAP**

THE managing director of Chuan Soon Huat Industrial Group (CSH) and four other former directors of the company were yesterday charged in court with failing to disclose a change in the effective control of the mainboard-listed furniture firm.

In a statement to the Singapore Exchange after calling for a share trading halt, CSH said managing director Lee Thian Soon and former executive directors Lee Siew Hoe and Lim Kiang Soon were charged under Section 157(1) of the Companies Act for "failing to use reasonable diligence in the discharge of their duties as directors of the company".

They allegedly failed to disclose that Lee Tian Teck had in the period Jan 1, 2004, to Oct 31, 2006, ceased to discharge his duties as executive chairman of the company.

Lee Siew Hoe is CSH's current head of operations while Lim Kiang Soon is the current group general manager and head of marketing.

Similar charges were also brought against Sng Keng Ling and Peter Moe yesterday. Both were independent directors at CSH when the disclosure lapse happened and resigned from the board early last year.

The offence under Section 157(1) is punishable under Section 157(3)(b) of the Companies Act, which could lead to a maximum fine of $5,000 or to imprisonment for up to one year.

A pre-trial conference has been set for September 15.

Issues first surfaced in November 2006 when the five were arrested together with non-executive director Geoffrey Aldridge under the Securities and Futures Act.

The probe pertained to statements in CSH's 2004 and 2005 annual reports about the role of former executive chairman Lee Tian Teck. According to past reports, Mr Lee had stayed on as chairman until November 2006 even though the annual reports revealed his absence at board meetings. He had suffered a second stroke in December 2003.

"There have been no charges brought against Geoffrey Aldridge as at the date of this announcement (Aug 27)," said CSH. Mr Aldridge is still a non-executive director of CSH. Based on CSH's 2007 annual report, the board comprised managing director Lee, Mr Aldridge, non-executive chairman Wong Yen Siang and three other directors.

CSH said in yesterday's statement that its independent committee and the board (excluding managing director Lee) will be meeting to determine next steps for the company.

CSH shares resumed trading yesterday afternoon but no shares changed hands. The counter has seen little trading and last closed at 1.5 cents this month.

CSH registered a net loss of $1.69 million for the second quarter ended June 30, 2008, and a net loss of $3.77 million for the half-year. SGX placed the firm under its watch-list in March this year.

the manipulative trades, was convicted and sentenced on 22 February 2012 to the maximum fine of $250,000. The prosecution has appealed against Lee Siew Ngan's sentence, and the appeal is pending in the High Court.

In the course of investigating into the market manipulation, CAD discovered that Lee Tian Teck suffered strokes that had left him bedridden. However, the CSH board had remained silent on his medical condition and his inability to discharge his duties as executive chairman. The CSH Annual Reports gave the impression he was still active in the management of the Group. The three executive directors (Lee Thian Soon, Lee Siew Hoe and Lim Kiang Soon) and two independent directors (Sng Keng Ling and Peter Moe) were each prosecuted for failing to use reasonable diligence in the discharge of their duties as directors of CSH for the period between 1 January 2004 and 31 October 2006. They were each convicted and sentenced to a fine of $5,000 and disqualified from being directors of any company for periods ranging from one to five years.

↗ PP vs Kea Meng Cheng and Boon Choon Hock

Kea Meng Cheng was a party in a civil suit that arose out of a family dispute. By May 2006, Kea was heavily in debt due to the family dispute and he was in need of funds. He approached an acquaintance Boon Choon Hock, who was then unemployed, to source for funds on the promise of receiving a commission. They came up with the idea of a bogus investment scheme they named the "Private Placement Investment Program".

Kea and Boon Choon Hock started to market the Private Placement Investment Program describing it to potential investors as a high yield investment program sanctioned by the US Federal Reserve. They claimed that capital investment could be enhanced by 80% within 60 to 120 days. Boon Choon Hock also played the role of successful investor by representing to potential investors that he had benefited from such an investment program managed by Kea Meng Cheng. Between May and December 2006, four persons were sold on the idea, and they invested a total of S$1,442,000 in this program.

The returns did not materialise for any of the investors and the scheme soon fell apart.

When CAD stepped in to examine the scheme, Kea Meng Cheng told the investigators that Boon Choon Hock was responsible for sourcing the funds which Kea would then use to secure a US$450 million loan from a financial institution to pursue business opportunities in China. He claimed to have already raised US$1.4 million and all he needed was US$600,000 to secure the loan. He denied knowledge of marketing the Private Placement Investment Program and pushed all responsibility for it to Boon Chong Hock. He claimed that the monies they received were loans obtained by Boon Choon Hock. Boon Choon Hock told a different story, saying he was merely a messenger who brought investors to Kea Meng Cheng, and that it was Kea who had persuaded them to invest in the Private Placement Investment Program. On the contrary the investigation revealed that these two persons had created the program to defraud investors. Kea Meng Cheng paid off his debts with the money he collected, and also used part of it to pay Boon Chong Hock his commission for assisting in the scam.

Typical of investment fraud cases, the stolen funds were used up by the time the investigation commenced and there was no money left to be recovered.

Arising from the complaints of the four investors, Kea Meng Cheng and Boon Chong Hock were each charged with 5 counts of cheating on 5 May 2010. During the court trial, the judge found that Kea Meng Cheng was the main beneficiary of the fraud and that Boon Chong Hock had played a major role in securing the payments of monies by the victims. They were convicted on all the charges. Kea was sentenced to 6 years' imprisonment and Boon to 4 years' imprisonment.

CAD arrests AIM chief Vincent Tan over share trading

By Grace Ng

ADVANCED Integrated Manufacturing (AIM) chief executive Vincent Tan was arrested last Thursday by the Commercial Affairs Department (CAD) over his dealings with the company's shares.

Dr Tan, who is also executive chairman of locally listed Digiland, has been buying up AIM stock over the past two years.

"The board understands from Dr Vincent Tan that the investigations concern the alleged contravention of Section 197 of the Securities and Futures Act in respect of Dr Tan's dealings in the company shares", said AIM, a printed circuit board manufacturer, yesterday in a statement to the Singapore Exchange.

Section 197 of the Act deals with false trading and market-rigging transactions.

The statement added that Dr Tan has been released on a personal bond and is currently cooperating with the CAD in their investigations.

Just days before his arrest, he was still shoring up his stake in AIM.

Last Wednesday, the company said Dr Tan had raised his direct interest to 46.404 per cent from 46.399 per cent, by making an open market purchase of 29,000 shares. His total stake, comprising deemed and direct interests, is currently about 81 per cent.

He had been making regular purchases of AIM shares on the open market over the past two years at prices as high as 35 cents apiece.

His buying activity has attracted attention from the market as AIM shares have outperformed other manufacturing stocks, which have largely been left out of a bull run earlier this year.

The counter has surged 37.5 per cent – from 24 cents 10 months ago to 33 cents when the counter closed last Thursday. AIM's net profit for the three months ended June 30 rose 9 per cent to $2.7 million, while revenues rose 38 per cent to $21.3 million.

Dr Tan's aggressive buying activity was highlighted in the press when he picked up 2.93 million shares at 33 cents each between June 29 and July 3.

These acquisitions made up a considerable 18 per cent of the stock's trading volume.

Dr Tan also made the news in June when he was reported to have snapped up seven Good Class Bungalow land parcels at Jervois Hill at prices of up to $800 psf.

The price was almost double the $408 psf at which Hong Leong Group started selling the plots over a year ago. Dr Tan's plots covered over 100,000 sq ft of land and had a combined price tag of more than $80 million.

But signs of trouble surfaced last Friday when AIM called for a trading halt before disclosing that night that the CAD had approached Dr Tan as part of investigations into alleged offences under the Securities and Futures Act.

The board said then that the alleged offences were not brought against the company.

↗ PP vs Vincent Tan Kim Yong

Advanced Integrated Manufacturing Corp. Ltd (AIM) is a Singapore-based integrated electronics manufacturing services provider. It made its trading debut on the mainboard of the Singapore Exchange Securities Trading Ltd on 26 May 2005 at the price of $0.20 per share.

The price of AIM shares hovered around $0.20 for most of the first year after its listing. However, from 15 February 2006 onwards, things changed. AIM saw its share price rocketing from $0.21 on 15 February 2006 to a high of $0.370 on 16 June 2006. This drastic increase of 76% within four months was in stark contrast to the performance of the Straits Times Index, which registered a decline of 3.8% over the same period. The AIM share price continued to trade at a high price level of between $0.305 and $0.360 in the next three and a half months. It was only after 31 October 2006 that AIM shares reverted to the price range of around $0.230.

On 15 April 2011, the founder, chairman and CEO of AIM, Vincent Tan Kim Yong, was charged in court for manipulating the share price of AIM between 15 February 2006 and 31 October 2006. It is alleged that Tan had engaged in manipulative practices with the aim of inflating the share price of his company.

At the time of this publication, the case against Vincent Tan Kim Yong is pending trial in the Subordinate Courts.

↗ PP vs Timothy Goldring and Others

From February 2005, when it was incorporated, Profitable Plots Pte Ltd was offering what it termed as strategic land investments. Towards the end of 2008, it marketed an investment scheme involving Boron CLS Bond. Boron CLS Bond was essentially a fuel additive, touted to have several benefits when used in engine components and machineries.

The Boron investment scheme involved the sale of what Profitable Plots termed as Boron units. Each unit was sold in blocks of US$1,000 with a 12.5% fixed return at the end of six months. Brochures distributed by Profitable Plots stated that the investment funds would be exclusively used to purchase Boron fuel additive, which had been pre-sold to major corporations.

CAD began investigation into the affairs of Profitable Plots in August 2010, subsequent to complaints by investors that the company was not paying them their returns.

On 27 March 2012, three directors of Profitable Plots, Timothy Goldring, John Nordmann and Geraldine Anthony Thomas were each charged with 86 counts for

conspiring to cheat the clients of Profitable Plots into investing into the Boron Investment Scheme. The case is currently pending trial in the Subordinate Courts.

↗ PP vs Lho Kong Lee and Others

Chop Lee Huat Import and Export Pte Ltd dealt in the wholesale of rice, oil and flour. Between May 2006 and January 2007, The Bank of East Asia, Limited extended about S$800,000 in loans to the company. The loans were given against 33 trust receipts submitted to the bank. A trust receipt is a form of bank financing where the goods purchased by the client are taken as security over the granted loan. Several of these loans were not repaid. When the bank commenced civil proceedings against Chop Lee Huat, it discovered that the company had contravened the conditions of the loan agreements by assigning the goods financed under the trust receipts to another entity without the bank's approval.

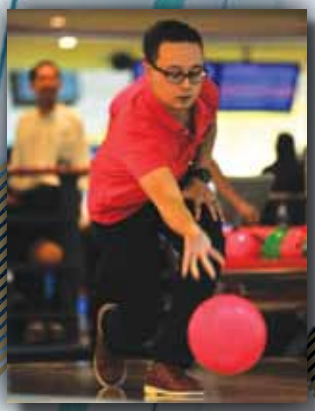
The bank reported the matter to the police and the CAD investigation established that Chop Lee Huat had between 2004 and 2007 also obtained loans from another two banks. Over the four years, the company submitted 142 sets of supplier invoices and delivery orders to The Bank of East Asia, Limited, the Standard Chartered Bank and the United Overseas Bank Limited. The invoices and delivery orders accompanying the loan applications Chop Lee Huat submitted to the banks had a common feature, in that they were all issued by four business entities owned by Ong Ming Chien, Lee Teng Hern and Lim Soo Joon.

Based on the documents presented to them, the banks disbursed the loan monies totaling S$3.8 million to the four businesses. Ong Ming Chien, Lim Soo Joon and Lee Teng Hern admitted to the investigators that the invoices and delivery orders were false in that the goods did not exist. Lee Teng Hern said that he was asked to create the false documents by Lho Kong Lee, the sole director of Chop Lee Huat. Lho told him that Chop Lee Huat was having a cash flow problem. Ong and Lim told the investigators that Tan Yeow Choong asked them to create the false documents for a commission. Tan Yeow Choong was a financial consultant to Chop Lee Huat. All three persons also admitted that they handed the loan monies they received to either Lho Kong Lee or Tan Yeow Choong.

Four persons have been prosecuted for cheating the banks. Ong Ming Chien and Lim Soo Joon were charged for engaging with Tan Yeow Choong in a conspiracy to cheat the banks. Lee Teng Hern was charged for engaging with Lho Kong Lee to commit a similar offence. The investigation established that they were each paid commissions ranging from S$200 to S$500 in each loan application. Ong, Lim and Lee were convicted and sentenced to imprisonment sentences of 16 months, 6 months and 6 weeks respectively.

Lho Kong Lee was charged in court with 142 counts of conspiring with Tan Yeow Choong to cheat the banks into providing Chop Lee Huat with trade loans. At the time of publication, the case against Lho Kong Lee is pending trial in the Subordinate Courts.

↗ GLIMPSES OF CAD



↗ NOTES OF APPRECIATION

Our particular thanks to the IO for her contribution in presenting and facilitating at the workshop. Her participation was very welcome during her presentations and other discussions as FIUs in the region look to Singapore for sharing best-practice FIU experiences.

Strategic Partner
15 Apr 2011

We would like to extend our appreciation on your team for participating in Singapore Post Compliance Training 2011. Your presentation is highly beneficial to everyone, and the insight shared during the course of the discussion is truly valuable and of significance.

Strategic Partner
15 Apr 2011

I would like to thank both of you for securing a conviction for this difficult case. The scale of the losses involved many banks and we were fortunate to recover 6 out of the 7 cars. With this conviction, we hope that this trend of Auto Loan application fraud would be stopped due to your team's effort.

Complainant
09 Jun 2011

Our Bank is proud and extremely pleased to note that this case has been solved with the full recovery of some $2,989.84 in late May '11, due to the swift and precise execution of CAD/FFB.

Complainant
05 Jul 2011

On behalf of the team and the Bank, I would like to express our highest gratitude and appreciation for your corporation and effort in assisting our investigation (i.e. doing follow-up call / courtesy call to uncontactable witnesses) during our stay here in Singapore.

Complainant
04 Aug 2011

The amount arrived at my account, thanks to you first, and all your colleagues, and I salute your duty is considered sacred work, and I thank you in particular! Because I felt that you do your best in order to return rights to their respective owners.

Complainant
22 Aug 2011

I wish to record my deep appreciation of the work of 2 of your officers in Financial Investigation Dept for going beyond the call of duty in respect of the matter they were handling.

Complainant
15 Dec 2011

I would like to express my special thanks to the IO who is currently handling my case.

I thank the IO for her dedication and professionalism shown in the last few months and I wish to state that she is definitely an asset to the CAD and the SPF.

Complainant
30 Dec 2011

Your swift and precise execution of this matter is amazing.

Complainant
16 Jun 2011

ACKNOWLEDGEMENTS

The Commercial Affairs Department is grateful to the contributors and to all who have helped in one way or another to make this annual report possible. We would like to thank Singapore Press Holdings for the use of the newspaper articles from The Straits Times and The Business Times which have been reproduced in this report. We would also like to thank the Public Affairs Department, Singapore Police Force, for their invaluable advice and assistance.

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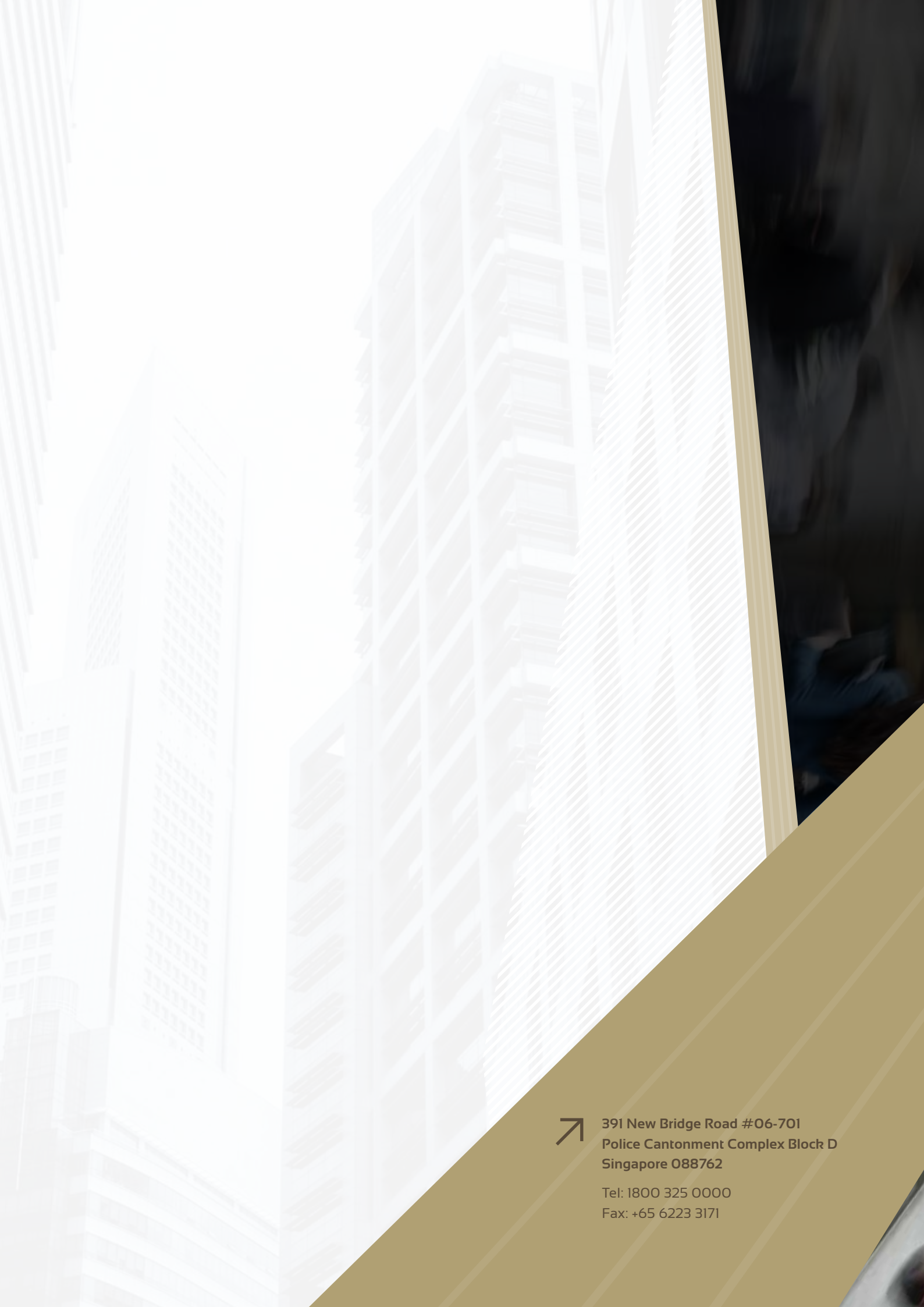

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